

A bill (H. R. 15755) granting a pension to Dorothy H. Volk; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 15829) fixing the taxable status of lands received in exchange for lands formerly embraced in the grants to the Oregon & California Railroad Co. and the Coos Bay Wagon Road Co.; to the Committee on the Public Lands.

Also, a bill (H. R. 15830) to amend section 3 of an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914; to the Committee on the Public Lands.

By Mr. DENISON: A bill (H. R. 15831) to authorize the Secretary of the Treasury to sell a portion of the Federal building site in the city of Duquoin, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. CLARK of Missouri: A bill (H. R. 15832) to provide additional terminal facilities in square east of 710 and square 712 for freight traffic; to the Committee on the District of Columbia.

By Mr. MADDEN: A bill (H. R. 15833) providing for the investment of the Postal Savings System reserve in United States Government bonds and other securities; to the Committee on the Post Office and Post Roads.

By Mr. ACKERMAN: A bill (H. R. 15834) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers; to the Committee on Foreign Affairs.

By Mr. PORTER: A bill (H. R. 15835) for the acquisition of embassy, legation, and consular buildings and grounds; to the Committee on Foreign Affairs.

By Mr. WINSLOW: A bill (H. R. 15836) to amend the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. CROWTHER: A bill (H. R. 15837) amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By the SPEAKER (by request): Memorial from the Legislature of the State of Washington, asking for appropriations necessary to continue Federal aid in the construction of rural post roads; to the Committee on Appropriations.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOVAN: A bill (H. R. 15838) granting a pension to Susan Fuller; to the Committee on Invalid Pensions.

By Mr. HARDY of Colorado: A bill (H. R. 15839) granting an increase of pension to Maria Manuela Lobato; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 15840) granting a pension to James J. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15841) granting a pension to Robert Ross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15842) granting an increase of pension to Joseph B. Antoine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15843) granting an increase of pension to Joshua Gage; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15844) granting an increase of pension to Price Cochran; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 15845) for the relief of James T. Farrill; to the Committee on Military Affairs.

By Mr. HOEY: A bill (H. R. 15846) granting permission to Mrs. R. S. Abernethy, of Lincolnton, N. C., to accept the decoration of the bust of Bolivar; to the Committee on Foreign Affairs.

Also, a bill (H. R. 15847) granting a pension to Sarah A. Jennings; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 15848) granting a pension to Margaret Daley; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 15849) granting an increase of pension to Mary Crosson At-Lee; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 15850) for the relief of Francis Graves Bonham; to the Committee on Military Affairs.

By Mr. ASHBROOK: Joint resolution (H. J. Res. 454) to pay A. W. Young for money improperly refunded by him to the Post Office Department; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5150. By Mr. BABKA: Petition of Central States Census Supervisors' Association, requesting the passage of House bill 13630; to the Committee on the Census.

5151. By Mr. BURROUGHS: Petition of Mrs. Margaret S. Noyes, on behalf of the Hampton (N. H.) Monday Club, indorsing the Smith-Towner bill; to the Committee on Education.

5152. Also, petition of Mrs. Arven Blanchard, on behalf of Woman's Christian Temperance Union of Center Sandwich, N. H., indorsing the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

5153. Also, petition of Mrs. Lena T. Beardsley, corresponding secretary, on behalf of Derry Woman's Club, indorsing the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

5154. Also, petition of Mrs. Lena T. Beardsley, corresponding secretary, on behalf of Derry Woman's Club, indorsing the Smith-Towner bill; to the Committee on Education.

5155. By Mr. GALLIVAN: Petition of East Boston League of Women Voters, favoring House bill 10925; to the Committee on Interstate and Foreign Commerce.

5156. Also, petition of Local No. 1120, of the International Longshoremen's Association of Boston, Mass., indorsing Senate bill 4606; to the Committee on the Merchant Marine and Fisheries.

5157. Also, petition of Loose-Wiles Co., of Boston, Mass., favoring a gross sales tax; to the Committee on Ways and Means.

5158. Also, petition of Miss Ellen F. Mason, of Boston, Mass., favoring the passage of House bill 14854 and Senate bill 4503; to the Committee on Agriculture.

5159. Also, petition of James P. Parker, of Boston, Mass., urging an appropriation for the administration of the Naval Reserve Force; to the Committee on Appropriations.

5160. Also, petition of W. B. Kihner, of Dorchester, Mass., and L. R. Devoto, of Roxbury, Mass., favoring increased compensation for inspectors of customs; to the Committee on Appropriations.

5161. By Mr. IGOE: Petition of 290 citizens of St. Louis, Mo., protesting against the passage of the so-called health and medical bills, particularly House bills 7, 2023, 2155, and 5724, and Senate bills 454, 813, 814, and 1017; to the Committee on Interstate and Foreign Commerce.

5162. By Mr. MOONEY: Petition of Central States Census Supervisors' Association, requesting the passage of House bill 13630; to the Committee on the Census.

5163. By Mr. O'CONNELL: Petition of Retail Dry Goods Association of New York City, favoring a daylight-saving law, known as the Edge law (S. 3670); to the Committee on Interstate and Foreign Commerce.

#### SENATE.

SATURDAY, January 22, 1921.

(Legislative day of Tuesday, January 18, 1921.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gore	Lenroot	Sherman
Ball	Gronna	Lodge	Shields
Borah	Hale	McCormick	Simmons
Brandegee	Harris	McCumber	Smith, Ariz.
Calder	Harrison	McKellar	Smoot
Capper	Hedin	McLean	Sterling
Coff	Henderson	Moses	Sutherland
Culberson	Hitchcock	Nelson	Townsend
Curtis	Johnson, Calif.	New	Trammell
Dial	Jones, N. Mex.	Overman	Underwood
Dillingham	Jones, Wash.	Owen	Wadsworth
Edge	Kendrick	Page	Walsh, Mass.
Elkins	Kenyon	Phipps	Walsh, Mont.
Fernald	Keyes	Pittman	Warren
Fletcher	King	Poindexter	Williams
France	Kirby	Robinson	Willis
Gooding	La Follette	Sheppard	

Mr. HARRISON. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON] are absent from the Senate because of illness.

I also desire to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from Virginia [Mr. SWANSON], and the Senator from Rhode Island [Mr. GERRY] are detained on official business.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, communicated to the Senate the intelligence of the death of Hon. CHARLES F. BOOHER, late a Representative from the State of Missouri, and transmitted the resolutions of the House thereon.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 793. An act authorizing the issuance of patent to the Milk River Valley Gun Club;

S. 2379. An act to provide for the distribution of certain public lands withdrawn and improved under the provisions of the act of Congress approved June 25, 1910 (36 Stat. L., p. 847), as amended by the act of August 24, 1912 (37 Stat. L., p. 497), and which are no longer needed;

S. 3994. An act validating certain applications for and entries of public lands, and for other purposes; and

S. 4519. An act to authorize the Louisville & Nashville Railroad, its successors and assigns, to construct and maintain a bridge across the Alabama River at or near a point approximately 4 miles from the city of Montgomery, Ala.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 38) directing the method of counting the electoral votes for President and Vice President of the United States and declaring the result.

#### COUNT OF ELECTORAL VOTES.

The VICE PRESIDENT. The House of Representatives have concurred in Senate concurrent resolution 38, providing for a joint session of the two Houses for the purpose of canvassing the electoral votes for President and Vice President of the United States. The Chair appoints as tellers on the part of the Senate the Senator from Massachusetts [Mr. LODGE] and the Senator from Alabama [Mr. UNDERWOOD].

#### PETITIONS AND MEMORIALS.

Mr. McLEAN presented memorials of the Garden Club of Hartford; the Kalmatheon Club, of West Haven; and the Bunker Hill Literary Club, of Waterbury, all in the State of Connecticut, remonstrating against the enactment of legislation commercializing the national parks, which were referred to the Committee on Commerce.

He also presented a petition of sundry citizens of Waterbury, Warren, Naugatuck, Morris, Bantam, Washington, and Watertown, all in the State of Connecticut, praying for the enactment of legislation establishing a bureau of veteran reestablishment in the Interior Department, which was referred to the Committee on Finance.

He also presented a petition of the Connecticut Daughters of the American Revolution, of Bridgeport, Conn., praying for the enactment of legislation to provide for the promotion of physical education in the United States, which was referred to the Committee on Education and Labor.

He also presented resolutions of American Legion Post, No. 29, of Greenwich; Harry W. Congdon Post, No. 11, American Legion, of Bridgeport; Torrington Post, No. 38, American Legion, of Torrington; Clifford R. French Post, No. 22, American Legion, of Thomaston; the American Legion National Executive Committee, of Stamford; Howard G. Hilliard Post, No. 60, American Legion, of Clinton; and the American Legion Post No. 89, of East Haven, all in the State of Connecticut, favoring Senate bill No. 4357, providing for medical, surgical, and hospital services and supplies for discharged soldiers, sailors, marines, and Army and Navy nurses; House bill No. 13558, to improve facilities and service of the Bureau of War Risk Insurance; House bill No. 10835, fixing compensation of National Army officers who incurred disability while in the service; and House bill No. 14157, providing for adjusted compensation for ex-service men, which were referred to the Committee on Public Health and National Quarantine.

Mr. ELKINS presented a resolution of the Chamber of Commerce of Martinsburg, W. Va., favoring the enactment of legislation to provide relief for ex-service men, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the members of the Church of the Brethren of Old Furnace, W. Va., protesting against compulsory military training, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of the city of Clarksburg, W. Va., praying for the enactment of legislation to create a department of education, which was referred to the Committee on Education and Labor.

Mr. LODGE presented a resolution adopted by the Military Order of the Loyal Legion of the United States, at Boston, Mass., favoring the passage of legislation restricting the immigration of aliens into the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., remonstrating against the enactment of legislation restricting the immigration of aliens into the United States, which was referred to the Committee on Immigration.

Mr. HARRIS presented a telegram in the nature of a petition from Ivan E. Allen, chairman senate appropriation committee, of Atlanta, Ga., praying that an appropriation be made for cooperative work with the States for the use of their respective boards or departments of health in the prevention, control, and treatment of venereal diseases, etc., which was referred to the Committee on Appropriations.

He also presented a petition of the Carroll County Trade Board, of Carrollton, Ga., praying for the enactment of legislation for the relief of veterans of the World War, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by the County Commissioners of Taylor County, at Butler, Ga.; the Chamber of Commerce of Dublin, Ga.; and the Commissioners of Roads and Revenues of Lowndes County, Ga., favoring the enactment of legislation to continue distribution of Federal aid to rural post roads in the respective States through the Bureau of Public Roads, which were referred to the Committee on Post Offices and Post roads.

Mr. CAPPER presented a resolution of the Farmers' Educational and Cooperative Union of America, Pontotoc Branch, of Ada, Okla., favoring the enactment of Senate bill No. 4561 providing for the levying, collection, and payment of taxes upon contracts for the future delivery of grain, etc., which was referred to the Committee on Agriculture and Forestry.

#### REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 4889) authorizing the Secretary of War to furnish free transportation and subsistence from Europe to the United States for certain destitute discharged soldiers and their wives and children, reported it favorably with an amendment and submitted a report (No. 712) thereon.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (H. R. 567) for the relief of John Chick, reported it without amendment and submitted a report (No. 714) thereon.

#### REDUCTION OF THE ARMY.

Mr. WADSWORTH. I am instructed by the Committee on Military Affairs to report back favorably without amendment the joint resolution (H. J. Res. 440) directing the Secretary of War to cease enlisting men in the Regular Army of the United States, except in the case of those men who have already served one or more enlistments therein, and I submit a report (No. 713) thereon. I ask for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there any objection?

Mr. ROBINSON. The Senator is asking unanimous consent for the immediate consideration of the joint resolution?

Mr. WADSWORTH. Yes; so that the incident may be closed.

Mr. ROBINSON. What is the joint resolution? I listened attentively and could not hear one word the Senator said.

Mr. WADSWORTH. It is to reduce the Army, by the same method proposed in the Senate joint resolution, to an enlisted strength of 175,000.

Mr. ROBINSON. Has the Senate's action been concurred in by the House?

Mr. WADSWORTH. The House passed their own joint resolution.

Mr. ROBINSON. A different measure?

Mr. WADSWORTH. It crossed the Senate joint resolution.

Mr. ROBINSON. Oh, very well.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, and it was read, as follows:

*Resolved, etc.* That the Secretary of War be, and he hereby is, directed and instructed to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000: *Provided, however,* That nothing contained herein shall be held to prohibit the reenlistment of those enlisted men who have had one or more enlistments and who desire to reenlist in the Regular Army.



Mr. WALSH of Montana. I wish to inquire of the Senator from New York whether, since the joint resolution was acted on by the Senate, the House Committee on Appropriations has had the matter under consideration, or has the Senator been advised as to that matter?

Mr. WADSWORTH. I have no personal knowledge of it. I have seen something to that effect in the newspapers. The House itself passed this joint resolution, I think, on the same day we passed ours.

Mr. WALSH of Montana. I saw in the press something to the effect that the House Committee on Appropriations were disposed to make an appropriation for an Army of only 150,000. Is the Senator advised about that?

Mr. WADSWORTH. I have no advice other than what I saw in the newspapers.

Mr. WALSH of Montana. This is an application to concur in the action of the House?

Mr. WADSWORTH. Yes; in effect.

Mr. McKELLAR. I will say to the Senator from Montana that it is a unanimous report from the committee. We thought the recruiting ought to be stopped at once, and as both Houses have agreed to 175,000, we thought it ought to be done immediately. It is a unanimous report of the committee.

The joint resolution was reported to the Senate, without amendment, read the third time, and passed.

#### FORT BUFORD MILITARY RESERVATION LANDS.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 4686) to extend the provisions of section 2455, Revised Statutes, to the lands within the abandoned Fort Buford Military Reservation, in the States of North Dakota and Montana, asked to be discharged from its further consideration and that the bill be referred to the Committee on Public Lands, which was agreed to.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PHIPPS:

A bill (S. 4899) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. ROBINSON:

A bill (S. 4900) to amend section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes"; to the Committee on Mines and Mining.

By Mr. ASHURST:

A bill (S. 4901) granting certain public lands to the city of Phoenix, Ariz., for municipal purposes; to the Committee on Public Lands.

By Mr. CALDER:

A bill (S. 4902) for the relief of Antti Merihelmi; to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 4903) to authorize the construction and maintenance of a bridge across Detroit River, within or near the city limits of Detroit, Mich.; to the Committee on Commerce.

#### WAR CONTRACTORS' RELIEF.

Mr. ROBINSON submitted an amendment proposing to add a new proviso to section 5 of the act approved March 2, 1919 (40 Stat. L., p. 1274), entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," providing for a liberal interpretation of that section, and also that the unexpended portion of the appropriation carried in the act be continued available for the purposes named therein until all claims covered in the act shall be finally settled or disposed of, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

#### SPEECH BY SENATOR JONES OF WASHINGTON ON THE MERCHANT MARINE.

Mr. McKELLAR. Mr. President, on the occasion of the recent meeting of the National Merchant Marine Association convention, Senator WESLEY L. JONES, of Washington, made a notable speech on the subject of our merchant marine, a speech that ought to be read by every patriotic American citizen. There is no better posted man in this country on the subject of our merchant marine than is Senator JONES. His work as chairman of the Commerce Committee in respect to this great enterprise has been untiring, courageous, and effective. In this speech he gives plain facts that ought to be understood by every

business man, especially, in the country. We should look at shipping conditions exactly as they exist. We should not mislead ourselves. We should not be deterred in the building up of a great American merchant marine by intimidation, competition, threats, British propaganda, sentiment, or by any other consideration of any kind, nature, or description, but all stand together for a merchant marine that will be second to none on the seas. The United States is entitled to it. Her export trade demands it, the American people want it, and we are going to have it.

The president of the International Mercantile Co., which Senator JONES charged with having an agreement to conduct its business in the interests of the British Government and British trade, stated that what Senator JONES said was unfair. Senator JONES quoted the agreement, and it was not denied. Those of us who have served with him know that Senator JONES is not an unfair man. The American Senate should stand behind Senator JONES to a man in this matter.

I ask for unanimous consent that this speech be placed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR WESLEY L. JONES, OF WASHINGTON, BEFORE THE NATIONAL MERCHANT MARINE ASSOCIATION CONVENTION, AT THE WASHINGTON HOTEL, WASHINGTON, D. C., JANUARY 20, 1921.

"I shall not discuss the need of an adequate merchant marine. I assume that every red-blooded American wants one.

"What must we do to have it? We must believe in ourselves. One of the greatest factors toward success is confidence. The letter 't' may stand between us and success. The more of us who say 'We can't,' the more likely we are to fail. If we all say 'We can,' and act on that, we will succeed. There is nothing that is attainable through human effort that this people have not the ability, capacity, strength, and power to do. The task that confronts us is a hard one. It will take money, time, and effort. There will be failures and setbacks and financial losses, but the goal is worth all it may cost.

"We have passed an act to aid in securing a permanent merchant marine. It may not be perfect. Some think we should not have passed some of its provisions. Some think it should contain others. Every suggestion that is offered now was fully considered in framing the merchant marine act of 1920, and that act represents the mature will and judgment of the majority of Congress without regard to party. Every American should stand behind it until it has had a real and fair test. If it does what we all want, then the majority is vindicated and the minority should rejoice. If it fails under the test, the minority is vindicated and the majority will join in changing it.

"Our principal competitor for the world's carrying trade is Great Britain. She will do everything possible to keep us off the sea. Her citizens have vast and far-reaching business connections with our people. She has been so long dominant in shipping that her citizens control many of the great financial, industrial, and transportation interests in this country. They will use and are using this power to defeat our efforts to build up an American marine. Their attacks will be most insidious where that is the wisest course to follow—bold and daring where that is best—but they will always keep in view the one great thing, success for British trade and shipping.

"I am not criticizing Great Britain. I admire the way she looks after British interests. What I would like to see is for our people to take a leaf out of her book, and I appeal to every American citizen and the American Government to look after American interests and put them first, just as Great Britain and Englishmen put British interests first.

"We fight their battles in many ways. Every man who discourages American enterprise from going into shipping, every newspaper that uses its columns to discredit our efforts and our laws to build up an American marine, gives aid and encouragement to our competitors. Some act unwittingly; some, I fear, purposely. There are those more versed in theory than in practice who urge that those who are most experienced and have the best facilities can do the carrying trade the cheapest and should therefore be permitted to do it. This is plausible and appealing. If accepted and followed it means no American marine.

"Many of our people are beginning to talk this way now. I see editorials along this line in some of our leading papers. Men who ought to know better are urging it. An American Army officer spoke to a class in our War College not long ago. The whole burden of his address was our inability to compete with Great Britain on the sea. He closed his lecture with a quotation from one of the professors in one of our great colleges to the effect that we should have Britain do our water

carrying because she can do it cheapest. Several of this class went to the Far East filled with this idea. They talked it on the boat. They belittled their own country's efforts to build up a merchant marine. They are doubtless doing this now wherever they are.

"We can not build up a merchant marine that way. We did not do it before the war, and it has cost us hundreds of millions of dollars—if not billions of dollars—and kept the world's civilization trembling in the balance for months. The time for plain speaking is here. There are great interests that ought to be American and that are thought to be American that are doing more to thwart American efforts to establish our merchant marine than any other agencies. Masquerading under American names, they are used to destroy or hinder American interests.

"The Chamber of Commerce of the United States is supposed to represent, stand for, and promote American interests, and yet a short time ago a magazine called the Nation's Business, and bearing on its front the legend 'Published by the Chamber of Commerce of the United States,' printed an article in a most conspicuous way that could have no other effect than to discredit what we have done and to discourage further efforts to build up our merchant marine. When I read it it occurred to me that some influence must be at work in the United States Chamber of Commerce to lead to the repeal of the merchant marine act of 1920. I wrote to the president of the chamber and asked him, 'Has your board of directors or your organization been giving consideration to any proposals or suggestions looking to the repeal of the merchant marine act of 1920? If so, by whom were they submitted and what consideration has been given to them? If any such suggestions were submitted, was public discussion invited with reference to them, or were they to be considered secretly and confidentially?'

"He did not answer these questions, although he stated that the chamber did not publish the magazine and was not responsible for what the editor allowed to go in it. If it has no control over the magazine, it is strange for the chamber to allow it to go out to the world that it publishes the magazine.

"In the next issue of this magazine was another article extolling a proposal of the Chamber of Commerce of the United States which was urged upon the Commerce Committee of the Senate, at the time of the formulation of the merchant marine act of 1920, by a Mr. Myrick, vice chairman and counsel of the ocean transportation committee of the Chamber of Commerce of the United States, an unusual proposition which was not adopted in terms by the committee, but which can be put in operation now under the act if it is at all practicable, and if the United States Chamber of Commerce has any faith in it, it should go to work and put it in force. I submit that the Chamber of Commerce of the United States would do a great thing for the country and be far truer to its great name if it would get behind and uphold the law which Congress has passed. I appeal to the patriotic men and chambers of commerce that make up this great organization to see to it that it is not made the agency to serve British interests and undermine American efforts and laws. British interests can have no more effective agency to promote their welfare than to have a great magazine published by the Chamber of Commerce of the United States, but edited in such a way as to serve their purposes intentionally or ignorantly.

"Great business interests, supposed to be American, are subordinating American interests to British interests. British shipping interests and the British Government are pulling strings behind the scenes and Americans are stifling American shipping and thwarting American efforts to build it up before an unsuspecting public and within the very machinery of the Government itself. A short time ago two great American lawyers, addressing an educational gathering, argued vigorously against a policy of discriminating duties. They had nothing to say against the discriminations practiced against us, but they deemed it a terrible thing for us to defend ourselves or put ourselves in a position where we could defend ourselves against such practices. They appeared before that audience as Americans. The audience probably never thought of the fact that one of them was the attorney for a great French shipping company and the other the attorney for a great American company bound by a solemn agreement to prevent injury to British trade and British shipping.

"A short time ago a reputable gentleman of Newark, N. J., told me of his experience in attempting to establish a shipping line between Newark and England. He applied to the Shipping Board to buy or charter Government ships for this purpose. His application was referred to the Shipping Board's representative in New York, and he said he was opposed to it. On being pressed for his reasons, he said that the establishment of such a line would injure the business of British lines sailing out of

New York. This American citizen, acting as an agent of the United States Shipping Board, and thus using his power to protect British shipping interests, was a former employee of the International Mercantile Marine Co., which entered into an agreement in 1903 whereby it bound itself, for a period of 20 years, to follow no policy that would injure British shipping or British trade. Let these three paragraphs of this agreement indicate its nature and its consequent influence on American trade, American shipping, and the conduct of American citizens:

"An agreement made the 1st day of August, 1903, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, and the board of trade (for and on behalf of His Majesty's Government) of the first part; the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey, in the United States of America, which company is hereinafter referred to as 'The American Co.' of the second part; and the Oceanic Steam Navigation Co. (Ltd.); Frederick Layland & Co. (1900) (Ltd.); the British & North Atlantic Steam Navigation Co. (Ltd.); the Mississippi & Dominion Steamship Co. (Ltd.), of the third part.

"10. This agreement shall have effect for 20 years from the 27th of September, 1902, and shall continue in force thereafter subject to a notice of 5 years on either side (which may be given during the continuance of this agreement, provided that His Majesty's Government shall have the right to terminate this agreement at any time if the association pursue a policy injurious to the interest of the British mercantile marine or of British trade.

"12. In case any difference as to the intent and meaning of this agreement, or in case of any dispute arising out of this agreement, the same shall be referred to the Lord High Chancellor of Great Britain for the time being, whose decision, whether on law or fact, shall be final.

"In brief the International Mercantile Marine Co., organized under American law and claiming to be an American company, obligates itself to pursue no 'policy injurious to the interests of the British mercantile marine or of British trade,' and in case of any dispute arising out of the agreement, whether of law or of fact, the Lord High Chancellor of Great Britain is to decide such dispute, and his decision is final.

"Furthermore, it is significant that while the British Government may cancel the agreement on 5 years' notice the shipping company can not do so, but is absolutely bound for the 20-year period, no matter what conditions may arise.

"The International Mercantile owns the American line, which flies the American flag, and, in addition to its regular fleet, controls approximately 40 vessels leased from the Shipping Board, which also fly the American flag, but are all subject to the terms of this contract, and therefore are actually operated in the interest of the British Government and British trade.

"The agreement of 1903 was supplemented by agreements of 1910 and of 1919.

"In the agreement signed in 1919, after the war was over, it is expressly stated that the first principal agreement—referring to the 1903 agreement—and the second principal agreement—referring to the 1910 agreement—shall, 'save as expressly varied by this agreement, remain in full force.'

"Those excerpts from the agreement of August, 1903, do not leave the question open to doubt as to where the International Mercantile Marine Co. stands as regards British interests. The question that then naturally arises in the popular mind is, 'Where do British shipping interests center in the United States?' The answer is that they center almost entirely in the port of New York, where their large terminal investments are located, and from which port most of their tonnage on this side of the Atlantic sails. Consequently, much of what helps the port of New York benefits British shipowners. A monopoly of export freight sent through the port of New York spells greater profits for these British owners. It follows then that the British shipping men are in accord with the eastern trunk line railway officials who seek to cancel the present equalization of export freight rates from Central Freight Association territory to Gulf and South Atlantic ports.

"The proof of that accord is at hand. On April 9, 1920, there was a meeting of the Chamber of Commerce of the State of New York, at which a committee of five representatives of North Atlantic port commercial organizations was appointed to confer with the Trunk Line Association with a view to conducting the fight before the Interstate Commerce Commission for the elimination of the existing equalization of export rates from Central Freight Association and Illinois classification territory to North Atlantic, South Atlantic, and Gulf ports. The present equalization, for the first time, establishes the principle that American foreign commerce may best be developed and extended by the establishment of new foreign trade routes by the United States Shipping Board, as is specifically provided in the merchant marine act, and in furtherance of this movement that every American export shipper should have the right, without discrimination by the railroads, to choose the port through



which his business can be handled most expeditiously and economically.

"The chairman of the committee named was Delos W. Cooke, designated as representing the Chamber of Commerce of the State of New York. A fact that was not mentioned is that Delos W. Cooke also is the American director of the great Cunard Line, which is British owned and flies the British flag.

"Now, the Chamber of Commerce of the State of New York, as its list of officials reveals, is made up of international bankers and the heads of great railroad and steamship companies. Philip A. S. Franklin, a vice president of this chamber of commerce, is the president of the International Mercantile Marine Co., the same American company which entered into the agreement already referred to by which it agreed to pursue no policy injurious to British trade.

"In reviewing this sequence of happenings, can any sane man doubt that this principle necessarily underlying the establishment of an American merchant marine is being sacrificed to a group devoted to furthering 'the interests of the British mercantile marine or of the British trade'?

"These facts should command the attention of every friend of an American merchant marine. They show us what influences are at work to prevent our building up a marine, in addition to those business and commercial difficulties that of themselves are great in the development and establishment of a great enterprise like this. We need the same unity of action and purpose now that moved us in the conduct of the war. The task to do now is more difficult than the task of winning the war and requires equal, if not higher, patriotism."

Mr. JONES of Washington. Mr. President, in the address I referred to an employee of the Shipping Board and the action he was alleged to have been taking in New York in the way of diverting commerce from American ships to British ships. The gentleman's name is Mr. J. F. Andrews. Upon what I considered very reliable information, I stated that he had been formerly employed by the International Merchant Marine Co. The president of that company, Mr. Franklin, states that he was never in the employ of that company, and I have no reason to doubt that statement. I accept it as true. However, I desire to say that other information, which I think is absolutely reliable, has come to me from a Senator confirming what I stated with reference to the action of this employee of the Shipping Board. I have asked the chairman of the Shipping Board to investigate the employee's conduct, and I hope that action will soon be taken, in accordance with what may be found to be the facts.

I ask unanimous consent that as a part of my remarks I may place in the RECORD the three agreements of the International Mercantile Marine Co. with the British Government to which I referred in the address.

The PRESIDING OFFICER (Mr. SPENCER in the chair). If there is no objection, it is so ordered. The Chair hears no objection.

The agreements referred to are as follows:

[Copy of an agreement, dated 1 Aug., 1903, between the Admiralty and the board of trade and the International Mercantile Marine Co., and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (1900) (Ltd.), The British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.)]

An agreement made the 1st day of August, 1903, between the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part, the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America, which company is hereinafter referred to as "The American Co." of the second part, and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (1900) (Ltd.), the British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.) of the third part.

Whereas the party of the second part owns a controlling interest in the shares of the International Navigation Co. (Ltd.) which owns a majority of the shares of the other companies parties of the third part;

And whereas the term "The Association" hereinafter used means the parties hereto of the second and third parts and also includes any other company, corporate or unincorporate, partnership, body, or person, whether British, American, or other foreign which by any arrangement is admitted to or brought under the control of the association or any of its constituent parts for the time being;

And whereas the parties hereto of the third part are hereinafter referred to as "The British companies included in the association";

And whereas in the month of September, 1902, an agreement substantially to the effect of the provisions hereinafter contained was negotiated and made by and between His Majesty's Government and the American company acting on behalf of the association;

And whereas it is considered desirable that such agreement as last aforesaid shall be embodied in a formal instrument to be executed not only by the American company, but also by the British companies included in the association.

Now these presents witness that in consideration of the stipulations hereinafter contained on the part of the American company and the

British companies included in the association the parties of the first part hereby undertake as follows:

1. The British companies included in the association shall, so long as the stipulations on their part and on the part of the American company hereinafter contained are duly observed, continue to be treated as heretofore on the same footing of general equality with other British companies in respect of any services, naval, military, or postal, which His Majesty's Government may desire to have rendered by the British mercantile marine: *Provided*, That nothing in this agreement contained shall extend to vessels of uncommercial speed which His Majesty's Government may specially require to be constructed and which are primarily designed for service in time of war.

And these presents also witness that in consideration of the undertaking herebefore contained on the part of the parties hereto of the first part, the American company and the British companies included in the association hereby agree as follows:

2. The British companies included in the association shall be, and continue to be, British companies qualified to own British ships, and a majority, at least, of their directors shall be British subjects.

3. No British ship in the association, nor any ship which may hereafter be built or otherwise acquired for any British company included in the association, shall be transferred to a foreign registry (without the written consent of the president of the board of trade, which shall not be unreasonably withheld), nor be nor remain upon a foreign registry. Nothing shall be otherwise done whereby any such ship would lose its British registry or its right to fly the British flag.

4. British ships in the association, and ships that may hereafter be built or otherwise acquired for any British company included in the association, shall be officered by British subjects, and as regards their crews shall carry the same proportional number of British sailors of all classes as His Majesty's Government may prescribe or arrange for in the case of any other British line engaged in the same trades.

5. Subject to the existing agreement between the Admiralty and the Oceanic Steam Navigation Co. (Ltd.), and without prejudice to the provisions therein contained, the American company and any British company included in the association shall sell or let on hire at any time during the continuance of this agreement to the Admiralty when required so to do by the Admiralty any British ship in the association and any ship hereafter to be built or otherwise acquired for any British company included in the association which the Admiralty may from time to time select. The terms of purchase or hire, if not otherwise agreed on, shall be similar to those contained in the existing agreement aforesaid.

6. At least a moiety of the tonnage built and at least a moiety of the tonnage otherwise acquired for the association in each successive period of three years (commencing from the date of this agreement), including a reasonable proportion of the faster classes of vessels, shall be built or acquired as the case may be for British companies included in the association and shall be registered as British ships. There shall not be reckoned in ascertaining the moiety of the tonnage so built or otherwise acquired: (a) Vessels of the exceptional class referred to in article 1 which may be constructed by special arrangement with the Government of the United States of America; (b) any vessels not already in the association purchased for the association from owners other than British subjects or American citizens or subjects or companies or bodies subject to a British or American jurisdiction, provided that such last-mentioned vessels are existing ships which have been running for at least two years prior to the contract for purchase and have not been built or acquired, directly or indirectly, for the association.

7. If at any time hereafter any British company (not being a party hereto) or any British partnership, body, or person shall be admitted to or brought under the control of the association or any of its constituent parts for the time being, then and in every such case subject and without prejudice to any agreement then existing between such company, partnership, body, or person and His Majesty's Government and subject and without prejudice to any agreement which may be made in view of such admission or inclusion between the American company or other person or body acting for the association, on the one hand, and His Majesty's Government, on the other hand, all the provisions of these presents shall inure for the benefit of and bind such company, partnership, body, or person, as the case may be, in like manner as if such company, partnership, body, or person had been a party hereto of the third part and had been comprised in the expression "The British companies included in the association" as used in this agreement, and except with the consent of His Majesty's Government no such British company, partnership, body, or person as aforesaid shall be admitted to or brought under the control of the association or any of its constituent parts for the time being otherwise than upon the terms specified in this clause.

8. If at any time hereafter during the continuance of this agreement any other company whether corporate or unincorporate partnership body or person, whether British, American, or other foreign shall be admitted to or brought under the control of the association or any of its constituent parts for the time being, the association shall give notice thereof to His Majesty's Government and shall furnish all such particulars with regard to terms, parties, or otherwise as the Government may reasonably require.

9. The American company and the British companies, included in the association, and any British company, partnership body, or person hereafter admitted to or brought under the control of the association or any of its constituent parts for the time being will forthwith and from time to time do and cause to be done all such further acts and execute or cause to be executed all such further documents and take all such steps as may be necessary to give full legal and binding effect to this agreement.

And these presents lastly witness that it is hereby mutually agreed as follows:

10. This agreement shall have effect for 20 years from the 27th September, 1902, and shall continue in force thereafter, subject to a notice of five years on either side (which may be given during the continuance of this agreement), provided that His Majesty's Government shall have the right to terminate this agreement at any time if the association pursue a policy injurious to the interests of the British mercantile marine or of British trade.

11. This agreement shall be construed and take effect as a contract made in England and in accordance with the law of England. The American company hereby irrevocably appoints the chairman for the time being of the British committee of the association or if there be no such chairman then each and every British company in the association to be the agent or agents in England of the American company for the purpose of accepting service on behalf of the American company of any process notice or other document in respect of any matter arising out

of this agreement and service of any such process notice or document on such chairman or company as aforesaid shall be deemed to be good service on the American company. Any notice or document sent by registered post addressed to the American company at No. 22, Old Broad Street, London, or to the registered office of any British company in the association shall also be deemed to have been duly served on the American company.

12. In case of any difference as to the intent and meaning of this agreement or in case of any dispute arising out of this agreement the same shall be referred to the Lord High Chancellor of Great Britain for the time being, whose decision whether on law or fact shall be final.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts.

Completed by,

Admiral Lord Walter Kerr and Rear Admiral W. H. Day, on behalf of the admiralty; Mr. C. W. Balfour, on behalf of the board of trade; Sir Clinton Dawkins, on behalf of International Mercantile Marine Co.; Mr. Bruce Ismay, on behalf of the Oceanic Steam Navigation Co.; Mr. Wilding and Mr. Glynn, on behalf of Frederick Leyland & Co.; Mr. Wilding and Mr. Richards, on behalf of the British & North Atlantic Steam Navigation Co. and the Mississippi & Dominion Steamship Co.; Mr. Torrey and Mr. May, on behalf of the Atlantic Transport Co.; and Mr. Wilding and Mr. Willett, on behalf of the International Navigation Co.

An agreement made the 1st day of October, 1910, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America of the second part and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (Ltd.) (formerly known as Frederick Leyland & Co. (1900) (Ltd.)), the British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.) of the third part. This agreement is supplemental to an agreement made between the same parties on the 1st day of August, 1903 (hereinafter called "the principal agreement"), and the definitions of terms therein contained apply to this agreement whereby it is agreed between the parties hereto, as follows:

1. The *Oceanic*, *Majestic*, and *Teutonic* being British ships in the association and any ship built subsequent to the date of the principal agreement or otherwise acquired for any British company included in the association which may be considered by the Admiralty suitable for employment as armed cruisers or commissioned auxiliaries shall be sold or let on hire to the Admiralty in the manner and subject in all respects to the conditions referred to in the principal agreement, save and except that the purchase price or rate of hire (as the case may be) of any such vessel shall be fixed at the time of every such sale or letting on hire by mutual agreement between the parties or in default of agreement by arbitration as hereinafter provided.

2. Any vessel covered by the principal agreement which His Majesty's Government may require to hire for purposes other than employment as an armed cruiser or commissioned auxiliary shall be let on hire to the Admiralty when so required during the currency of the principal agreement upon the terms of the usual charter party for a transport under the regulations of His Majesty's transport service at such rate of hire as may be settled at the time of hiring by mutual agreement or in default of agreement by arbitration as aforesaid.

3. If and whenever the parties fail to agree upon the purchase price or rate of hire of any vessel the same shall be referred to the arbitration of two arbitrators in accordance with the provisions of the arbitration act, 1889, or any then existing statutory modification thereof. One of such arbitrators shall be appointed by the Admiralty and the other by the association, and every arbitrator or umpire appointed in any such reference is to be a person of commercial experience with knowledge of mercantile affairs.

4. Save as expressly modified by this agreement the terms of the principal agreement shall remain in full force and effect.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts, the day and year first before written.

Signed, sealed, and delivered by Vice Admiral Sir F. C. B. Bridgeman, K. C. B., K. C. V. O., and Rear Admiral Sir J. R. Jellicoe, K. C. V. O.; C. B., being two of the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland, in the presence of

F. R. BRIDGEMAN. [L. S.]  
J. R. JELICOE. [L. S.]  
A. C. RICHARDS,  
Admiralty Clerk.

The seal of the board of trade was hereunto affixed by the direction of the president of the board of trade, in the presence of

SYDNEY BUXTON.  
R. J. LISTER,  
Librarian, Board of Trade.

The seal of the International Mercantile Marine Co. was hereunto affixed in the presence of

E. C. GRENFELL, Director.  
C. R. JEEVEE, Assistant Secretary.

The common seal of the Oceanic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

I. BRUCE ISMAY, Director.  
ALEX' R. KERR, Secretary.

The seal of Frederick Leyland & Co. (Ltd.) was hereunto affixed in the presence of

H. B. ROPER, Director.  
GEORGE GOLDSWORTHY, Secretary.

The seal of the British & North Atlantic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

The seal of the Mississippi & Dominion Steamship Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

The seal of the Atlantic Transport Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY, Director.  
FRED W. MAY, Secretary.  
JAMES F. HORNCASTLE, Secretary.

The seal of the International Navigation Co. (Ltd.) was hereunto affixed in the presence of

I. BRUCE ISMAY, Director.  
HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

THE ADMIRALTY COMMISSIONERS AND THE BOARD OF TRADE AND THE INTERNATIONAL MERCANTILE MARINE CO. AND OTHERS—AGREEMENT.

[Dated 2d September, 1919.]

An agreement made the 2d day of September, 1919, between the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part, the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America of the second part, and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (Ltd.), formerly known as Frederick Leyland & Co. (1900) (Ltd.), the British & North Atlantic Steam Navigation Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.), all of whom are hereinafter referred to as the British companies, of the third part.

Whereas this agreement is supplemental to two agreements (hereinafter called the first principal agreement and the second principal agreement), dated, respectively, the 1st day of August, 1903, and the 1st day of October, 1910, and both made between the parties hereto of the first and second parts and the parties hereto of the third part and the Mississippi & Dominion Steamship Co. (Ltd.), which last-named company has since the date of the second principal agreement been finally liquidated and the whole of its assets transferred to the British & North Atlantic Steam Navigation Co. (Ltd.); and

Whereas the respective articles of association of the British companies included in the association parties hereto of the third part are to be modified so as to give effect to the provisions of this agreement. Now, it is hereby agreed by and between the parties hereto as follows:

1. No person shall henceforth be a director, managing director, managing agent, manager or person to carry on or manage the business of any such British company and having the usual powers of a director (all of whom are hereafter in this agreement included in the term "director") unless his appointment shall be acceptable to the board of trade.

2. The management and operation of the steamships and the general business of each of the British companies shall be carried on and controlled by the directors so approved, who, in addition to the powers and authorities by the articles or by-laws conferred on them, shall exercise all such powers and do all such acts as may be exercised or done by the company and are not by statute required to be exercised or done by the company in general meeting, provided, however, that the right to dispose of the profits of the company shall be and remain in the shareholders to be exercised by them in general meeting.

3. All provisions of the articles or by-laws of the British companies in conflict with this agreement shall, so long as this agreement shall remain in force, be deemed to be superseded, and this agreement shall be ratified and confirmed in general meeting by each of said companies. The American company undertakes to vote its shares in such meetings in favor of such ratification and confirmation.

4. In consideration of the obligations undertaken by the British companies under this agreement:

First. None of the British companies shall be regarded as "a foreign-controlled company" as to the building, purchasing, chartering, and operating of vessels and the acquisition of shares and securities in and of other British steamship companies, and the disposal of all such vessels, shares, and securities, and as to the basis on which it is at liberty to conduct its business and carry on and develop its undertaking.

Second. There shall be no discrimination as against any of the British companies, and each of such companies shall be treated on a footing of equality with other British steamship companies which are free from "foreign control" as to any facilities, advantages, and opportunities afforded for the carrying on and development of similar businesses and undertakings and otherwise: *Provided*, That if the British companies shall give notice for the termination of the principal agreements the provisions contained under this second head shall cease to be operative as from the date upon which such notice is given.

5. The first principal agreement and the second principal agreement shall, save as expressly varied by this agreement, remain in full force. This agreement shall expire or be terminable in the same manner as the principal agreements.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts, the day and year first before written.

Signed, sealed, and delivered by Rear Admiral Sir O. de B. Brock and Rear Admiral Sir W. C. M. Nicholson, being two of the commissioners.



for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, in the presence of

O. DE B. BROCK,  
W. C. M. NICHOLSON,  
W. H. SYKES,  
Temporary Administration Assistant, Admiralty.  
J. C. BOARDMAN,  
Secretary to Deputy Chief of Naval Staff, Admiralty.

The seal of the board of trade was hereunto affixed by the direction of the president of the board of trade in the presence of

A. C. GEDDES,  
F. C. STARLING,  
Librarian, Board of Trade.

The seal of the International Mercantile Marine Co. was hereunto affixed in the presence of

P. A. S. FRANKLIN,  
President.  
E. C. GRENFELL,  
Director.  
C. R. JEEVES,  
Assistant Secretary.

The common seal of the Oceanic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON,  
Director.  
ALEXANDER KERR,  
Secretary.

The seal of Frederick Leyland & Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY,  
Director.  
GEORGE GOLDSWORTHY,  
Secretary.

The seal of the British & North Atlantic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

H. CONCANON, Director.  
PERCY A. GRIFFITHS,  
Assistant Secretary.

The seal of the Atlantic Transport Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY,  
FRED. W. MAY,  
Directors.  
G. WARDEN, Secretary.

The seal of the International Navigation Co. (Ltd.) was hereunto affixed in the presence of

H. CONCANON,  
A. B. CAUTY, Directors.  
PERCY A. GRIFFITHS,  
Assistant Secretary.

#### COMPENSATION OF UNITED STATES EMPLOYEES.

The Senate resumed the consideration of the bill (H. R. 5726) to fix the compensation of certain employees of the United States.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Georgia [Mr. SMITH].

Mr. KING. Let the amendment be reported.

The VICE PRESIDENT. The Secretary will read the amendment.

The READING CLERK. On page 2, line 9, after the word "clerks," insert the words "or employees in the District of Columbia," so the proviso as amended will read:

Provided further, That the provisions of this act shall not apply to persons enlisted in the military or naval branches of the Government nor to the employees in the Philippine Islands, Porto Rico, Guam, the Virgin Islands, the Territory of Hawaii, the Territory of Alaska, and the Panama Canal Zone, nor to members of the National Home for Disabled Volunteer Soldiers employed at or in connection with said homes, nor to persons holding appointments as postmasters, assistant postmasters, rural carriers, postal clerks, carriers in the City Delivery Service, or railway mail clerks, or employees in the District of Columbia.

Mr. JOHNSON of California. Mr. President, the amendment is little understood. The amendment will have the effect of destroying the bill. If that is the design, of course, it should be agreed to, but if the bill is a just bill the amendment ought to be defeated, because it proposes to take out of the bill a class comprising almost one-half of those affected by it. I ask that the amendment be defeated.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] The Chair is unable to decide.

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NEW. Mr. President, may the pending amendment be stated?

The VICE PRESIDENT. The pending amendment will be stated.

The READING CLERK. On page 2, line 9, after the words "railway mail clerks," it is proposed to insert the words "or employees in the District of Columbia."

The VICE PRESIDENT. On the question of agreeing to the amendment the yeas and nays have been ordered.

The reading clerk proceeded to call the roll.

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL], which I transfer to the Senator from California [Mr. PHELAN] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. He being absent from the Chamber, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. MOSES (when his name was called). I inquire if the junior Senator from Louisiana [Mr. GAY] voted?

The VICE PRESIDENT. He has not.

Mr. MOSES. I have a general pair with that Senator. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. POMERENE (when his name was called). I have temporarily a general pair with the senior Senator from Iowa [Mr. CUMMINS]. I do not know how he would vote if present, therefore I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SHERMAN (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], and therefore withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. In his absence I withhold my vote.

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE], who is not in the Chamber, but I understand that if he were present the Senator from Pennsylvania would vote as I am about to vote. I vote "nay."

The roll call was concluded.

Mr. HARRISON (after having voted in the negative). I have a general pair with the junior Senator from Oregon [Mr. McNARY], but I understand if he were present he would vote as I have voted. So I let my vote stand.

Mr. JONES of New Mexico. I have a general pair with the Senator from Missouri [Mr. SPENCER]. In his absence I withhold my vote.

Mr. OWEN. I have a pair with the Senator from New Jersey [Mr. EDGE], whom I do not see in the Chamber. If I were at liberty to vote, I should vote "nay."

Mr. DILLINGHAM. I inquire if the Senator from Maryland [Mr. SMITH] has voted?

The VICE PRESIDENT. He has not.

Mr. DILLINGHAM. Then I am unable to vote, having a general pair with that Senator.

Mr. JONES of Washington. The Senator from Virginia [Mr. SWANSON] is necessarily absent on business of the Senate, and during his absence I promised to pair with him. I understand, however, that I can transfer my pair with the Senator from Virginia to the Senator from Nebraska [Mr. NORRIS]. I therefore do so and will vote. I vote "nay."

Mr. MOSES. In view of the announcement which has been made by the junior Senator from Mississippi [Mr. HARRISON], I transfer my pair with the junior Senator from Louisiana [Mr. GAY] to the junior Senator from Oregon [Mr. McNARY] and will vote. I vote "nay."

Mr. FERNALD. I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON]. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. KNOX. I transfer my pair with the senior Senator from Oregon [Mr. CHAMBERLAIN] to my colleague, the senior Senator from Pennsylvania [Mr. PENROSE], and will vote. I vote "nay."

Mr. WALSH of Montana. I have a pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence I withhold my vote.

Mr. SUTHERLAND (after having voted in the negative). I have a pair with the senior Senator from Kentucky [Mr. BECKHAM], who is absent from the Senate on official business. I am advised that were he present he would vote as I have voted. I therefore allow my vote to stand.

Mr. HARRISON. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON] are absent from the Senate because of illness.

I also desire to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from Virginia [Mr. SWANSON], and the Senator from Rhode Island [Mr. GERRY] are detained on account of official business.

Mr. CURTIS. I desire to announce that the Senator from Missouri [Mr. SPENCER] is necessarily absent from the Senate. If he were present, he would vote "nay."

I also desire to announce that the Senator from Indiana [Mr. WATSON] is paired with the Senator from Delaware [Mr. WORTCH].

The result was announced—yeas 12, nays 49, as follows:

#### YEAS—12.

Brandegee	Gore	Phipps	Trammell
Dial	Heflin	Ransdell	Underwood
Fletcher	King	Sheppard	Warren

## NAYS—49.

Ashurst  
Ball  
Borah  
Calder  
Capper  
Coff  
Culberson  
Curtis  
Edge  
Elkins  
France  
Gooding  
Gronna

Hale  
Harris  
Harrison  
Henderson  
Johnson, Calif.  
Jones, Wash.  
Kellogg  
Kendrick  
Kenyon  
Keyes  
Kirby  
Knox  
La Follette

Lenroot  
Lodge  
McCormick  
McKellar  
McLean  
Moses  
Nelson  
New  
Overman  
Page  
Pittman  
Poindexter  
Robinson

Shields  
Simmons  
Smith, Ariz.  
Smoot  
Sutherland  
Townsend  
Wadsworth  
Walsh, Mass.  
Williams  
Willis

## NOT VOTING—35.

Beckham  
Chamberlain  
Cummins  
Dillingham  
Fall  
Fernald  
Frelinghuysen  
Gay  
Gerry

Glass  
Hitchcock  
Johnson, S. Dak.  
Jones, N. Mex.  
McCumber  
McNary  
Myers  
Newberry  
Norris

Owen  
Penrose  
Phelan  
Pomerene  
Reed  
Sherman  
Smith, Ga.  
Smith, Md.  
Smith, S. C.

Spencer  
Stanley  
Sterling  
Swanson  
Thomas  
Walsh, Mont.  
Watson  
Wolcott

So the amendment of Mr. SMITH of Georgia was rejected.

The VICE PRESIDENT. The bill is in the Senate and is still open to amendment.

## TREATY WITH GERMANY AND RELATIONS WITH RUSSIA.

Mr. KING. Mr. President, an article in yesterday's newspapers, written by that able journalist, Mr. David Lawrence, calls attention to a question intimately related to the treaty of Versailles. Reference is made to the conditions in Europe and the possible union of European nations to promote their own trade, though it would be accomplished by discrimination against the United States. The issues involved in the Versailles treaty are not settled in our country, and each day brings additional evidence of the unwisdom of not ratifying the treaty with Germany. We are clamoring for greater export trade, for increased commercial facilities with Europe and the rest of the world, and yet we opposed a plan which would have hastened Europe's rehabilitation and greatly increased our foreign trade.

During the recent campaign it was contended by many that our country should be isolated, that it had nothing in common with Europe, and that its traditional policy forbade any sort of union between the United States and other nations.

The work of President Wilson in attempting to secure a lasting and a just peace was not understood, and his fine humanitarian sentiments were entirely misinterpreted. He sought the peace of the world, and wished to establish not only cordial relations between all nations, but he endeavored to provide a plan for their future conduct, which would prevent war and the international conflicts which the old order of world government and world relationship produced.

The American people, in my opinion, failed to appreciate the nature of the covenant of the league and the issues which were involved in its adoption or its rejection, and they are now seeking to obtain benefits which its provisions would have brought to this Nation.

There were Republicans and Democrats who opposed the covenant of the league or any union between the United States and Europe; they asserted that this Nation was so powerful that it was not interested in the rest of the world, commercially or otherwise, and that its prosperity was not dependent upon what occurred in other lands; but, Mr. President, since the election our Republican friends and those who opposed the league have discovered that we are related to the world, and that the prosperity of the United States is dependent upon the prosperity of other nations.

Mr. BORAH. Mr. President, did I understand the Senator to say that the Republican Senators have discovered the fact that we were related to the other nations of the world?

Mr. KING. No; we have discovered that fact.

Mr. BORAH. Oh, the Democrats.

Mr. KING. The American people have discovered, as many of my Republican friends upon the other side of the Chamber have now discovered, that we are so related to the world that our prosperity in part depends upon their prosperity.

Mr. BORAH. Mr. President, that is a discovery which was made years and years and years ago, and which no one has ever denied or disputed outside of an insane asylum.

Mr. KING. I am very glad to find that the Senator had been converted from a position which I think the majority of the American people believe he assumed during the pre-election campaign.

Mr. BORAH. The Senator from Utah must not presume, because he has made a discovery, that it is a new discovery to the Senator from Idaho.

Mr. KING. Mr. President, the Senator from Utah discovered many years ago what the Senator from Idaho has now discovered and everybody else ought to have discovered—that our prosperity is connected with the peace and with the prosperity of other nations, and that when we attempt isolation for this country we cut off the fountains not only of domestic productivity, in part at least, but we dry up the streams of commerce and trade which bring prosperity to the American people.

Mr. FRANCE. Mr. President—

Mr. KING. I yield to the Senator from Maryland.

Mr. FRANCE. I should like to ask the Senator if he has also discovered that our prosperity is more or less involved in the prosperity of Russia?

Mr. KING. Mr. President, the Senator from Maryland leads me away from the field into which I was about to enter for a moment or two; but I shall reply to the Senator from Maryland as frankly, but briefly, as I can.

I presume that the question the Senator intended to ask was why we did not resume diplomatic and commercial relations with the Russian soviet government, because, as I have followed the political activities and senatorial activities of my distinguished friend for the past few weeks, the belief has been developed that he is desirous that the United States should recognize the dictatorship of Lenin and Trotsky in Russia, recognize the bolshevik government not only as a de facto but as a de jure government, and that we should enter into diplomatic relations with Russia.

Mr. FRANCE rose.

Mr. McCORMICK. Mr. President, will the Senator yield for a question?

Mr. KING. If it is agreeable to the Senator from Maryland, who rose first, I shall be glad to yield.

Mr. FRANCE. Mr. President, I merely rose to ask the Senator from Utah where he had made that most extraordinary discovery? That is something which I myself have not discovered.

Mr. KING. Does the Senator refer to my allusion to the suggestion that he desired that the United States should enter into diplomatic or consular relations with Russia?

Mr. FRANCE. I will say to the Senator that I have never made any such suggestion, either upon the floor of the Senate or in any other place; and if the Senator will do me the honor of reading the resolution which I introduced on the 26th, I think, of last February, he will see that my purpose was not the recognition of the soviets at all, but rather the establishment of friendly trade relations with the Russian people—something which can be done without any recognition whatever of the de facto government of Russia.

Mr. KING. I apologize to the Senator if I have misconceived his attitude; but let me ask the Senator from Maryland if he does not know, in view of the conditions prevailing in Russia, that there can be no trade with Russia except through the soviet dictatorship? It is absolutely meaningless to say that we will trade with Russia unless we trade with the soviet government. The soviet government, in effect, has interdicted trade and traffic between Russian people, as individuals and communities, and other nations. They have said that all trade must be through the soviet government, and that is the reason why the soviet leaders are so anxious to secure trade relations, though in name or theory only, with the United States, because they entertain the view that as a proximate sequence recognition of the de facto government of the soviet or bolshevik government of Russia will take place.

Mr. FRANCE. Mr. President—

Mr. KING. I yield.

Mr. FRANCE. I rise merely to say that I do not wish to trespass upon the time of the Senator.

Mr. KING. I shall be very glad to have the Senator make any statement that he desires apropos of the question just suggested.

Mr. FRANCE. I shall take occasion in the near future, however, to discuss this whole question of the opening up of trade with Russia. As a matter of fact, it would be perfectly feasible for us to sell goods to Russia without any recognition of the soviets as the de facto government of Russia. The soviet government could buy, as the agent for the Russian people, materials which we have for sale for cash without our recognizing the soviet government at all. I will say to the Senator, for his information—and I know that he desires to receive all possible information on this most important subject—that a great many very prominent Russians who are entirely opposed to the bolshevik régime are thoroughly convinced that the opening up of trade with Russia would not tend to strengthen the bolsheviks, but that, on the contrary, the opening up of trade would tend to bring about in Russia a greater conformity on the part of the Russians to the practices



of the other nations with which the Russians would trade. The whole development of affairs in Russia has been in the direction of an abandonment of the theories of communism in order that the actual facts of the situation might be met; and it is on the theory that Russia isolated can indulge in fantastic theories of government, but that Russia dealing with the other nations would tend to conform to the principles and practices of other nations, that many of those who oppose the communistic régime are in favor of the opening up of trade with Russia.

I thank the Senator for yielding to me. I have trespassed this much upon his time only because I did not wish it to appear in the Record that I had advocated the recognition of the present de facto government in Russia, which I have not done. My resolution very carefully avoided the suggestion that we should at this time recognize any particular government there.

Mr. KING. Mr. President, if any Americans desire to trade with Russia they ought to have the fullest opportunity, and if any of the Russian people desire to trade with the United States full opportunity should be accorded them to sell their commodities in our markets, subject of course to such tariff laws and regulations as now exist, but I think the Senator from Maryland—and I say this with full appreciation of his great knowledge upon this question—does not fully appreciate the power of the dictatorship of Russia over the lives and the commercial and business relations of the people.

Why, Mr. President, it is impossible to trade with Russia, because Russia has nothing to ship in payment for the commodities which she might obtain from other nations.

Mr. McCORMICK. Mr. President, will the Senator yield on that point?

Mr. KING. I yield.

Mr. McCORMICK. Are there no other States in Europe which have nothing to give in exchange for products shipped to them?

Mr. KING. Mr. President, there are other States of Europe that are bankrupt, and the people within their borders are starving. I hope the Senator from Illinois, by his question, does not seek to imply that we should deal with the peoples of those other countries and their Governments as we should now deal with the soviet government of Russia. So far as I am concerned, I rejoice in the charities of the American people in behalf of the starving people of Europe. I should be glad to see American people make capital investments in Europe, for the purpose of enabling the starving peoples to obtain some of our surplus products, and thus save their lives, as well as to furnish a market for products of which we have a surplus.

Mr. President, as I was about to say, it is impossible to trade with Russia. England has attempted it. Norway and Sweden have attempted it. Finland, lying upon her borders, has attempted it. The Czechoslovakian Republic has attempted it, and many other nations of Europe. They found that the representatives of Russia who were admitted to the confines of their territories immediately plotted for the overthrow of their Governments.

Instead of being interested in trade, they were interested in a propaganda which looked to the overthrow of what they denominated the capitalistic Governments of Europe.

Mr. Krassin and Mr. Kameneff and others have been in England, and Lloyd-George, desiring, as he did, to extend the trade of Great Britain, and if possible to find a market in Russia for the products of Great Britain, engaged in protracted negotiations with those men, and attempted to find some basis by which there could be trade relations established between the people of Great Britain and the people of Russia. But finally he was compelled to order them from Great Britain. They attempted to corrupt labor organizations of Great Britain, as well as the press, and the editor of the Herald, the radical labor organ of Great Britain, confessed that a large sum of gold had been placed with him. Of course, it was for the purpose of influencing his paper in behalf of Russia and to induce it to support in Great Britain policies which would result in the overthrow of law and order.

One would suppose that Sweden, Norway, and Denmark would have entered into trade relations of considerable proportions with the Russian people, if trade were possible. But, Mr. President, in each of those nations the authorities at various times ordered the deportation of the representatives of the soviet government. The soviet representatives ostensibly sought trade, but it was soon discovered that they were sent into those nations to carry on a propaganda for their overthrow and to use those States as the base of operations against other States. They invaded Belgium and Holland and attempted to make

Holland a base of operations against nations upon this side of the Atlantic. The records are full of efforts made by the nationals of European countries to enter into trade relations with Russia, and they disclose the failures attending such efforts.

The Senator from Maryland says he wants the American people to trade with Russia and the Russian people to trade with the United States. I agree with him in that statement. What is there to restrain them from trading? Americans are at liberty to ship their products to Russia, so far as the United States is concerned, and if there are individuals there or representatives of the soviet government who desire to purchase them, there are no reasons why the sales should not occur. The only inhibition to exporting from the United States to Russia relates to munitions of war. The Senator's constituents, or any American, may ship to Russia commodities of any character or description, outside of munitions of war, and there are no restrictions imposed by the Government of the United States against that trade.

Mr. FRANCE. Mr. President, there is a restriction of the most binding character, a restriction which prevents payment by Russians for the goods which they purchase, and that restriction consists in the refusal of the United States mints to mint gold which may be of Russian origin, and that restriction has, to my knowledge, held up the sales of enormous quantities of goods to Russia. I have not as yet informed myself as to the practice of the mint with reference to gold which is brought to it, but I had never been informed that it was the practice of the mint to search the title of every piece of gold brought to it. I can conceive that such a practice as that would lead to endless difficulty. For example, suppose a miner comes from Seattle with some gold bullion, bringing that to the mint, say, in Philadelphia, to have it minted. Is it incumbent upon that mint to inquire as to how that miner came into the possession of that gold, to search the title of the mine from which the gold was produced, before that gold is minted? It seems to me that if that is the practice of the mint it would be impossible ever to mint any gold without an exhaustive search of the title, not only of the title to the gold in the hands of the miner but the title of the mine from which that gold was taken.

As a matter of fact, it is true that Russian gold is available for the purchase of southern cotton, which the southern cotton growers are now holding at a great loss to themselves, much of which is deteriorating, I am informed, in the open weather.

The Russians have gold with which to pay for that cotton, provided the mints will accept their gold for minting. That gold is not gold which has been confiscated from the Russian people. That gold, I am informed—and there is no reason for believing otherwise—is the gold which was in the imperial treasury of the Czar at the outbreak of the war. The amount of that gold is variously estimated as being between \$750,000,000 and \$1,300,000,000 at the outset of the war. We have no knowledge as to what the amount of the gold is at present, but my point is that that gold is not gold which has been taken from the Russian people; it is gold that was in the imperial treasury.

We all know that the Russian people are in desperate need of goods. There are no nails in Russia, there are no woolen goods, there is no wool to speak of, there is practically no cotton, there are no cotton goods, there are no pencils, there are no papers; the commonest articles of life are wanting. They need at once 25,000,000 pairs of shoes. I assume that in such an emergency, even a de facto government would be justified in using the gold in the imperial treasury, that is, in the treasury which was the imperial treasury, for the buying of those things so desperately needed by the people. Even our own Government, during the period of the war, actually went to the Argentine, through an agent, to purchase sugar for our people, because our people needed that sugar so desperately during the war.

It seems to me that even a de facto government would have the right, without committing any crime, to use gold that was in the governmental treasury in such an emergency as that which exists in Russia for the purchase of goods for the people. It seems to me that any government or that any people, having goods to sell, would be perfectly justified, morally and legally, in selling for that gold which was in the imperial treasury and which belongs to the government, those articles which the people of that government so desperately need in a situation of unusual severity created by the war.

That, in a word, is the situation as I see it. It is a question as to whether our mints will now mint the Russian gold. I am not maintaining, I will say to the Senator, that we can indefinitely ship goods to Russia and receive gold in payment for those goods. I realize that trade must be reciprocal, and that there must be a return of goods ultimately in payment

for a shipment of goods. But I do believe that the first shipment should be made for gold, which is available, and the title to which is clear enough for all practical purposes.

Mr. KING. Mr. President, a great judge in Great Britain recently had before him a lawsuit which involved the question, in part, which has just been discussed by the Senator from Maryland. A number of years ago some timber was purchased from Russia, and it was brought to the ports of Russia for shipment to Great Britain; but the war prevented the transportation of the timber. Recently the soviet government seized that timber and disposed of it to another person, and he shipped it to England, where the person who bought it originally from the owners immediately laid claim to it, and in the course of time it was brought before Judge Roche for determination, and he promptly held, as he should have held, that the soviet government's theft of the property and its disposition of it gave no title to its vendee, and the claimant, the man who had bought it from the Russian people themselves, was awarded the property.

As I apprehend the position of the Senator, it is that the Government of the United States ought not to question the title to any gold which may be brought to the mint for minting, and he inquires whether or not a miner in the West who took the product of his mines to the mint would be interrogated as to its ownership, or whether the Government would scrutinize with any particular care his title, to determine whether he was the owner or not. Mr. President, while I deny that there is any analogy or any comparison between the illustration which the Senator gave and the situation we are discussing, I have no doubt in the world but what if the mint at San Francisco or Philadelphia were advised that John Jones was about to present for minting a certain stock of gold, and that he had stolen it, or that his title was denied, the mints would be closed to the minting of that product, at least until the validity of the claim of the man who tendered it had been established.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield.

Mr. FRANCE. I was interested to know the date of that finding of the British court, because, as a matter of fact, while we have been opening our system to the poison of this propaganda, which has prevented our opening up trade with Russia, the British have been losing no time whatever, and while we were deporting from this country Mr. Martens, who was the purchasing agent of the soviet government, the British were sending Mr. Krassin back to Russia with a trade contract all ready to be signed by his government, and undoubtedly to-day, if there is a ship traveling from the Baltic ports to London, it is carrying Russian gold to London. The Londoner is not scrupulous about accepting Russian gold, and he is beginning a very active trade in Russia, and we are being isolated from Russia by this policy, dictated I know not by whom, but certainly by no friend of America, and by no man who wants to see friendly relationships existing between Russia and the American people. I would say that the British have already begun active trade relationships with Russia.

As to the title of materials coming from a foreign country, this desk before me is made of mahogany. Who knows in whom the title to that mahogany rested when it was imported into this country? Probably it came from Africa, the land of which, in all equity, belongs to the African people. It was taken from the African forests probably by an English syndicate, without any payment at all to the aboriginal peoples of Africa, and was imported into this country.

In whom did the title to that mahogany rest? In these gentlemen of the English syndicate, stripping the African forests of their valuable woods without paying the aboriginal peoples one dollar? Or did it inhere in the African peoples themselves? What payment have we made to them, pray, for these desks upon which we transact the business of the United States Senate? To search the title of woods and wools and cottons and hemp and flax coming from other countries in the great commerce which we should be carrying on with the world is perfectly impossible. We must sell where we can sell, and accept gold in payment, if we are to build up the trade of the American people; and as for me, I am old-fashioned enough to be for building that trade. I would not sit here idly and see Great Britain preempting those wonderful Russian markets while we are here meditating upon the crimes and evils of bolshevistic communism, something that practically does not exist in Russia, I will tell the Senator, because most of us have overlooked the fact that the very first thing which the bolshevistic communists did upon coming into power was to con-

front the stern facts which presented themselves in Russia to their administration. Mr. Lenin, of course, was a communist, but he had to face millions of Russian peasants, and he faced reality when they said, "We demand land for ourselves, in individual ownership"; and the first great act of this so-called communistic government was to establish the principle of individualism in land.

So that communism is very largely a matter of theory, and a careful examination of all that is going on in Russia will show that the theory of communism has been giving way before the actual facts of governmental administration, and that communism really in no great degree exists.

Mr. POINDEXTER. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. KING. I yield.

Mr. POINDEXTER. If what the Senator from Maryland says is true, then the communists of the United States and France and Italy, who are supporting the Government of Russia and endorsing it because they believe that it is furthering their principles, are being grossly deceived.

Mr. FRANCE. They are very largely deceived. As a matter of fact, we have all been very greatly deceived on the whole Russian question. I can say to the Senator from Washington, and I believe I can say it with some authority because I have been taking very particular interest in the question and have had an opportunity to talk with men coming from Russia, American business men and Russians who are not in favor of communism and bolshevism, men upon whose statements I feel that I can rely, that I am confident from what they have told me that we have been very greatly misled with reference to the whole Russian question, and, let me repeat, misled, whether by a sinister influence or not I can not say, but we have been misled, I know, and that misleading of us has redounded very greatly to the advancement of the trade and of the interests of the British Empire in Russia.

Mr. POINDEXTER. Well, Mr. President—

Mr. FRANCE. And it has been in the direction, if the Senator will allow me to finish, of isolating us from those great countries with which we would naturally be in friendly relationship. Russia and China are our natural friends and allies in Europe and Asia. I will say right here that I shall later discuss the question of the opening of trade with Russia, with a long look ahead to those difficulties which seem to be forming themselves for us in Europe and Asia, difficulties which would seem to indicate that the time will come in the next few years, if we do not formulate a wise policy now, when we shall find ourselves faced in war by Japan, with which will be allied some other of the European countries, and the way to avert that danger is for us to form a closer and more friendly relationship with Russia and China, who are anti-Japanese in all of their thinking and in all of their interests. This policy which I have alluded to, based upon misinformation, I will say to the Senator, has tended to isolate us from those peoples with whom we should be in friendly association.

Mr. POINDEXTER. The Senator from Maryland does not propose that the Government of the United States should carry on commercial transactions with Russia?

Mr. FRANCE. I am in favor of opening up trade with Russia at once.

Mr. POINDEXTER. That was not my question. Is the Senator in favor of the Government of the United States going into the business of buying and selling commodities in order to carry on trade with Russia?

Mr. FRANCE. Oh, not at all.

Mr. POINDEXTER. Then it would be left to private parties necessarily, if the Government does not do it, and it is now open to any private parties who want to trade with Russia. Why do they not trade with them?

Mr. FRANCE. The Senator from Washington was not in the Chamber when that question was brought up by the Senator from Utah, and I explained that it was owing to the fact that the mints would not accept Russian gold for minting. That is the chief obstacle at present. I would say that one obstacle after another has been presented to our opening up trade with Russia. I am quite confident, so far as my judgment goes, that I know why these obstacles have been so placed, but one obstacle after another has been placed in the way of our opening up trade with Russia. In the meanwhile, Great Britain has been trading quite actively with Russia.

Mr. POINDEXTER. If the Senator from Utah will allow me further—

Mr. KING. Certainly.



Mr. POINDEXTER. London is the great financial center of the world, and certainly if people desire to trade with Russia they could find, through some such great central exchange as that, a means of paying for the goods they buy and receiving payment for the goods they sell. I fail to see how any such question as a refusal to mint Russian gold could stop people from carrying on commercial transactions if they wished to do so.

Mr. MOSES. Mr. President—

Mr. KING. I yield to the Senator from New Hampshire.

Mr. MOSES. I wish to address a question to the Senator from Maryland. I wish to ask if there is any dark secret about the reason why these obstacles have from time to time been thrown in the way of trade with Russia?

Mr. FRANCE. Of course, we all wish the millenium were here, but it is not. Men will compete for trade and nations will compete for trade very much as they did before all of this doctrine of the new freedom was announced. Great Britain wants the Russian markets and Great Britain is leaving no stone unturned to secure those Russian markets, and she is formulating a policy here, there, and everywhere which would tend to exclude other nations from those markets, and we are, by the policy of this Government, being excluded. Does that answer the Senator's question?

Mr. MOSES. Does the Senator from Maryland wish to assert that the British Government is formulating the policy of the United States?

Mr. FRANCE. Yes; I wish to assert that the British Government exerts a very great influence.

Mr. MOSES. Upon the Government of the United States?

Mr. FRANCE. Upon the policy of our Government as it has been carried on during the last few years, particularly since the armistice.

Mr. MOSES. The Senator from Maryland has a notice of hearings to be given on a resolution introduced by him bearing upon the question, pending before a committee of the Senate of which I am a member. I sincerely hope that if the Senator will undertake to substantiate the charge of influence of the British Government upon the Government of the United States he will bring such substantiation before the committee having his resolution pending for consideration, if he is unwilling to give it in the open Senate now when the matter is under discussion.

Mr. FRANCE. I think I have stated enough facts to indicate that the policy of our Government has not been in the interest of the American cotton grower, of the American steel workers, and of the American shoe manufacturers, but that the policy has been in the interest of the advancement of the trade of other nations. I have not been in Europe, but I will say to the Senator that a witness will appear next week before the committee to which he refers, who, if he cares to go into the who's question, can make a statement to the effect that while the British newspapers were carrying this very propaganda, which our newspapers were copying, the British merchants were quietly adopting every means known to their wonderful genius for the promoting of trade with Russia. In other words, the British papers print news upon the horrors of bolshevism for our papers to copy, while the British merchants are sitting down with Mr. Krassin, the financial representative of the Russian Government, working out in detail plans by which English goods shall be shipped to Russia and Russian goods shall be shipped to Great Britain.

Mr. MOSES. But that is an entirely different matter from the charge which the Senator makes, that the British Government is influencing the policy of the Government of the United States. What British merchants are doing, what the British newspapers are doing, does not necessarily affect the policy of the British Government and does not necessarily bring the policy of the British Government in contact or in influence with the policy of the Government of the United States. That is a matter of private enterprise or business ethics as interpreted by British merchants and by British newspapers. It is a far less serious proposal than that which the Senator from Maryland earlier advanced, namely, that the British Government is influencing the policy of the Government of the United States with reference to the Russian question.

If the Senator from Utah will permit me to trespass further upon his time, I wish to say that I am one of those Senators who have opposed the opening of trade relations with soviet Russia. It has not been at all because I wish to thwart the enterprise of American cotton growers or American manufacturers, but chiefly because I can not conceive how it will be possible to enter upon trade relations with the soviet government without permitting free entrance into this country of

citizens of the soviet republic, who will come here under the guise of commercial errands and who will make use of their presence here to carry on the propaganda of sovietism, a propaganda which I had the privilege of examining into in the course of the investigation of the so-called soviet ambassador to this country, a propaganda whose ramifications no Member of the Senate can follow to the end, a propaganda more insidious and dangerous to the welfare of the American Republic than any I have ever known, a propaganda which I have no intention, if my vote can prevent it, of bringing into this country under any guise whatsoever.

Mr. FRANCE. I wish to ask the Senator from New Hampshire—

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Maryland?

Mr. KING. Certainly; but I hope I shall not lose the floor while these excellent speeches are being made.

Mr. FRANCE. Is the Senator from New Hampshire under the impression that our Government is less stable than the Government of the British Empire?

Mr. MOSES. By no means. What I am trying to bring to the Senator and other Senators and to the public, if I may, is the fact that with our widespread territory, with our great variations in racial type of population, it is of extreme danger to the peace and welfare of this country if we are to permit the propaganda to go on in the manner in which various investigations before congressional committees have shown it to be carried on in this country. If we open the door through trade relations for the free admission to this country of citizens of the soviet republic, who, I am confident, will take advantage of every opportunity not only to extend trade relations but to extend the propaganda of their peculiar belief, it will develop a wider trail of evils than those already shown.

Mr. FRANCE. The Senator has answered my question. I perceive very clearly that he has greater fear for the stability of his Government than British statesmen have for the stability of theirs.

Mr. MOSES. Mr. President, I object to that interpretation being put upon my remarks because I answered the Senator's question in the negative.

Mr. FRANCE. If I may be permitted to continue—

Mr. KING. Will the Senator also answer this question? As I understand his remarks, he would repeal the act of October, 1918, which prevents the entrance into the United States of those who would seek to overthrow our Government by violence and force, and which also requires the deportation from the United States of those who seek the overthrow of the United States by force and violence. If the Senator desires—and I think that is his position—the bolsheviks to come here—and the Senator knows that Lenin has denounced this Government as the apotheosis of capitalism and has declared that this Government must be destroyed—he ought to be advised of the fact that they come, not for the purpose of securing employment or becoming American citizens, but to preach sedition and attempt the overthrow of our Government by force and violence. Does the Senator want that act repealed?

Mr. FRANCE. I think that the whole question of immigration and deportation is an entirely different question from the one we are discussing. I say that the Senator from New Hampshire has already admitted that he has a greater fear for the stability of his Government than British statesmen have for the stability of theirs.

Mr. MOSES. Mr. President, may I once more state for the RECORD the fact that that is not my assertion, and that I make no such assertion. I answered the Senator with an emphatic negative in my first sentence, but I went on to say that I did not want to see the bolshevistic government engaged in tracing out and sending out the propaganda which I am sure will result from the free entrance into this country of soviet Russians.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield to the Senator from Maryland.

Mr. FRANCE. I desire to say that, following out the Senator's policy, we are losing the trade which Great Britain is seeking and which Great Britain is obtaining. Great Britain did not feel that the British Empire was in any danger of being undermined because her statesmen and the leaders of the British trade bodies went into session with representatives of Russia to make arrangements for the opening up of trade between Great Britain and Russia.

So far as the Senator's question is concerned, I will say this: Of course, I have been in a rather unique position, standing with a small minority on this side of the Chamber during the

World War, a minority which has believed that our Government has never been in any danger of being overthrown by a few agitators of communism and anarchy.

We have always had those amongst us, and I conceive that our Government has never been in any danger from them. I believe so thoroughly in the principles of our Government, in the principles of a government based upon the will of all the people freely expressed, that I have never had any anxiety whatever concerning this propaganda. I have never trembled or shivered or felt any trepidation whatever for fear that this great Republic, which has withstood the shock of the controversy and of civil war, and of war with the greatest military empire of all time, would be overthrown by a few theoretical anarchists or communists from Russia.

I do not advocate the repealing of the law to which the Senator from Utah has referred. I think we need a new immigration law which would provide that these people coming here should be instructed in our institutions. Many of them do not understand our form of government; they have been brought up under despotisms, and they think that all government is despotic. If they were informed as to the character and nature of our institutions they would become most desirable and useful citizens. I will say further that the Russians and Jews themselves form the finest kind of raw material for the making of American citizens, if the raw material be properly handled. I advocate immigration laws which will provide certain standards and I think laws should be enacted for the education of immigrants in our institutions before they are permitted to become citizens; but I can not too strongly emphasize the fact that while we have been suffering from a phobia, from a fear of Russia, which has led us to close the gates of our exports to Russia, the British have been receiving the Russians with open arms and have been entering upon negotiations for trading with Russia. I may say further that Russian gold, the gold which is supposed to be of faulty title, has been shipped from Moscow to London, where it is being minted and where it is tending to swell the coffers of the British Empire.

Now, if the Senator from Utah will yield a moment longer, I wish to say just one word further.

Mr. KING. I yield.

Mr. FRANCE. There is nothing anti-British in my system. Far from that, I commend the citizen of Great Britain; I commend his policy; I commend his courage; I commend his enterprise. While I do not believe in the imperial system, while I believe it is a system which is passing away, I feel an admiration and affection for the English people. So far from criticizing them, I am urging our Government to emulate them by the advancing of our interests in the same way and with the same skill, enterprise, and genius as that which has been displayed by the British in the advancement of their national interests.

Mr. KING. Mr. President, the statements which have been made by the Senator from Maryland have been so varied and have related to so many subjects that it would be impossible within the limits of reasonable debate to enter into a full discussion of all of them. Let me say, however, with respect to the attitude of the Senator from Maryland concerning immigration from Russia, that I think the American people share pretty generally the view of the Senator that the great mass of the Russian people are frugal and thrifty and that they do furnish the basis for a splendid commonwealth. I have said repeatedly, Mr. President, that the Russian was a wonderful composite, and that he possessed the elements out of which a mighty nation—progressive and enlightened—would arise. He seems to have the imagination, if I may be permitted that expression, of the French, and he has something of the philosophy of the German mind. Whenever a Russian is afforded opportunity for education, though taken from the humblest walks of life, he assimilates education and culture with a readiness that is amazing. The linguistic attainments of the Russians are marvelous. Men who are taken from the plow, men whose fathers were serfs and slaves, after a few years in the common schools and in the universities of Russia, have developed into world characters. Before the World War we sought and found music, literature, poetry, painting, and sound philosophy in Russia. In science Russia has made remarkable progress, and possesses the potentialities for world leadership. She has great metaphysicians, great philosophers, great thinkers, great writers. So the Russian people constitute the basis of a great government that will respond to progressive impulses and which in the end will be one of the dominant nations of the world.

I shall be glad to see coming to our shores, in reasonable numbers, genuine Russian people, but, Mr. President, it is not of that class that complaint has been made. It is not against that class that the act of 1918 was aimed.

That act was aimed against those who came for the purpose of seeking to overthrow by force and violence the Government

of the United States. There is no objection, let me say, to the Senator, urged against Russians coming to the United States if they do not come for the purpose of attacking the institutions of this country, but the Senator knows that Lenin and Trotsky and the military dictatorship of which they are the heads have started a world-wide propaganda to overthrow law and order and to establish a world-wide communism.

The Senator knows that Martens, the representative of the soviet government in the United States, has not confined himself while in our midst to efforts to build up trade between Russia and the United States, but he entered into all sorts of machinations against the integrity of this Government. He encouraged organizations that sought by force and violence the overthrow of the United States, and it was for that that he was deported.

The Senator knows that the Labor Department, including the Secretary of Labor and the Assistant Secretary of Labor, Mr. Post, have been sympathetic, indeed, too sympathetic, let me say to the Senator, with sinister alien elements that have operated in the United States. There are persons who should have been deported who have been permitted to remain in the United States by Mr. Post, the Assistant Secretary of Labor. I believe the President should have removed Mr. Post from his position months ago. There developed a controversy between the Attorney General's Department and the Labor Department. It amounted almost to a scandal because of the acute nature of the charges by one department against the officials of another department. In my opinion, the President should have determined which of these departments was right, and the head of the other department should immediately have resigned or made complete satisfaction.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield.

Mr. FRANCE. I merely rise to observe that the statements of the Senator with reference to Mr. Martens are in direct conflict with the statement of the Secretary of Labor in deporting Mr. Martens, because in that statement the Secretary of Labor practically exonerated Mr. Martens from the very charges which the Senator has now made against him. I may say further with reference to Mr. Post and Mr. Wilson, the Secretary of Labor, that personally I feel that as to the whole deportation question they were in the right and the Attorney General was in the wrong. So much did I believe that the Attorney General's office had not been properly conducted, particularly under the administration of Mr. Palmer during the days of the war, that I introduced a resolution for the investigation of the department of the Attorney General because of the scandalous conditions in that department which we were led to believe existed because of the charges of very responsible men against that department. While my resolution did not pass, it is very gratifying to me to know that during recent days the Judiciary Committee of the Senate has itself taken notice of those charges and has itself, I believe, investigated some of the activities of the Department of Justice. If I am mistaken in that, the Senator from Utah, who is a distinguished member of that committee, can correct me.

Mr. KING. The Senator is right. I am a member of the committee and of the subcommittee.

Mr. FRANCE. I only wish the investigation could be carried to a greater extent. I have information which I do not care to disclose here. Out of respect for the executive departments of the Government I would not care to give publicity to certain information which I have received through confidential channels as to the conduct of the business of that department.

I am not holding that the Attorney General is responsible for all of the evils, for all of the crimes, I may say, because crimes were committed by the agents of the Department of Justice—crimes, if not murders, I will say to the Senator. I am not holding up the Attorney General as personally responsible for all those acts, but I hope that the Judiciary Committee, before it is through, will thoroughly investigate that whole department and all of its activities, and I hope that when it has been investigated the findings will be laid before the American people and that the American people will see to it that such conditions shall never again prevail in this country. I hope to God they never shall prevail again, because such conditions as have prevailed in this country have never prevailed in any other country in the history of the world perhaps, except in Russia under the worst days of the Czar.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. KING. I yield to the Senator from Arkansas.



Mr. ROBINSON. The Senate has just heard a most extraordinary statement. I have no quarrel with the Senator from Maryland when he makes the general declaration that conditions deserving of criticism have prevailed in this country; but I think the Senator from Maryland, when he makes the statement that he has information materially reflecting upon the administration of one of the executive departments of this Government, and that he will not divulge it to the Senate, transcends proper debate. No Senator ought to make a declaration of that kind and then withhold from the Senate or from the American people the facts upon which he bases it. If the Senator from Maryland knows of misconduct on the part of the Attorney General of the United States, or upon the part of the department of which the Attorney General is the head, he ought not to make a general declaration and withhold from the Senate and from the public full information concerning it.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I decline to yield for the present. I will yield to the Senator in a moment. Such a declaration is calculated—aye, it is designed—to prejudice the judgment of those who receive knowledge of it.

No officer of this Government has borne graver responsibilities, save the President himself alone, than the Attorney General of the United States since his entry upon the duties of that office. The present Attorney General of the United States was formerly a Member of the body at the other end of the Capitol. He is one of the ablest and most distinguished men of this Nation. Along with other representatives of the executive departments of the Government he has been repeatedly misrepresented, slandered, and libeled by individuals and associations of individuals, by newspapers and periodicals, who would penalize him for his loyalty to this Government, his loyalty to the American people, during the conflict recently closed. He is entitled to have the Senator from Maryland make an open and a frank declaration. It does no credit to a Senator of the United States to cast innuendoes and insinuations against the character and conduct of one charged with responsibility in a coordinate branch of the Government. The Senator from Maryland ought to tell the Senate what he meant when he declared a few moments ago that he had information of serious misconduct upon the part of this officer or his department, but that he would withhold it out of respect for somebody or something.

I do not desire, nor does any Senator desire, to shield any officer or agent of this Government who has knowingly violated his duty to the American people. If the Senator from Maryland has knowledge of facts or circumstances which prove malfeasance or nonfeasance in office on the part of the Attorney General, let him state in the open his charges.

Let him bring his proof, and give the Attorney General the opportunity that under the Constitution and the laws of the United States can not be denied to a common criminal—the right and opportunity of a hearing.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator from Maryland.

Mr. FRANCE. I will say to the Senator that I introduced last spring a resolution for the investigation of the Department of Justice. This resolution was introduced on the 1st day of last June. It was introduced because evidence had come to me which I was unable to sift, but which led me to believe that grave misconduct had been going on upon the part of certain officials of the Department of Justice, whether with or without the direct knowledge of the Attorney General I was unable to say. This resolution has been sleeping on the files of the committee since last June. The preamble of this resolution sets forth the facts which I have intimated to-day. I will send a copy of it to the Senator. I acted in perfect good faith in this whole matter, in presenting this resolution—it was not a popular resolution—because I believed it to be my duty to call the attention of the Senate to certain charges which had been made. I could secure no action upon the part of the Senate, and we are now in the closing days of the present administration. Personally, I am too much absorbed with issues which are before us to spend the whole afternoon in discussing issues which are back of us. The Senate did not see fit to act upon my resolution, and so far as I am concerned the whole matter is closed. If the Senate had chosen to investigate the facts, I think sufficient evidence would have been forthcoming to justify all that I have said.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Arkansas?

Mr. KING. I yield to the Senator.

Mr. ROBINSON. We have just heard another remarkable statement from the Senator from Maryland. After having as-

persed the Attorney General, and having been challenged to make his charges frank and open and bring proof to support them, he now declares that because the Judiciary Committee of the Senate of the United States and the Senate itself have paid no attention to formal charges heretofore made by him, the whole incident is closed so far as he is concerned. I respectfully suggest to my friend from Maryland that it would be closed more honorably, more fittingly closed, if in abandoning his charges he would do so without making further innuendoes and insinuations against the Attorney General.

I have no fault to find with the conduct of the Senator from Maryland if, after he has failed to impress the Judiciary Committee of the Senate, which is in the control of his own political party, he sees fit to abandon his charges; but in beating the retreat he ought not to repeat his charges in general language while he is running away from them.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator.

Mr. FRANCE. I desire to say here and now that I have abandoned no charges, nor do I beat any retreat on this subject. I am willing to stand by every word I have said, and I could say many words more if I chose to occupy the floor.

Mr. ROBINSON. There is no doubt about the Senator's ability to say many words. The difficulty about the Senator's use of words is that he never says very much when he consumes time in uttering words. The Senator has made a charge that brave men would not make unless they were willing to make it good.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. The Senator has said on the floor of the Senate this afternoon that he has knowledge of facts—my attention was called to his statement by half a dozen Senators around me—that he will not divulge to the Senate because of his respect for somebody that gravely reflect upon the conduct of the Attorney General or of his department of the Government. The point I am making is that he ought either to retract that statement or tell the Senate what he means by it and bring his proof to sustain it. Instead of doing that, he interrupts me to declare that so far as he is concerned he is too busy a Senator to take any more time with the charges that he has made. The Republican Committee on the Judiciary would pay no attention to his charges, he says, and now he himself regards it as a closed incident.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator from Maryland.

Mr. FRANCE. I know my very good friend from Arkansas does not desire to misquote me.

Mr. ROBINSON. Why, certainly not.

Mr. FRANCE. But he has misquoted me, and has quite materially misrepresented my position, due, of course, to the fact that I have not made myself clear.

Mr. ROBINSON. In what particular has the Senator been misquoted?

Mr. FRANCE. I did not, for example, say that the Judiciary Committee would not consider any charges which I might make.

Mr. ROBINSON. Oh, well, the Senator did say that the committee had taken no action regarding them.

Mr. FRANCE. I said it did not act upon the resolution which I introduced last June, and so far as I am concerned, I feel that it is fruitless for me to occupy an afternoon, or an afternoon and a morning, of the Senate in bringing forward charges which have been brought to me bearing upon this question, nor do I propose to do so. I will say to the Senator, however, that some of these facts are matters of common knowledge, even to those who are not privileged to be Members of the Senate, and many of these charges have been printed in a document signed by members of the American bar of good standing.

Mr. ROBINSON. Mr. President, of course the Senator will pursue any course that he chooses to pursue; but I repeat that if he wants to charge the Attorney General of the United States with misconduct in office, he ought not to do it by innuendo. So far as his statement is concerned, that I have misquoted him in these remarks as to what he said about the action of the Judiciary Committee, his last statement is not in conflict with anything that I have said, as I understand the matter. He offers a resolution involving these or other grave charges, presents it to the Senate, and has it referred to the Committee on the Judiciary. No action is taken. The session is nearing its close. He does not propose or ask that anything be done about it, but he rises in his place in the Senate and reflects upon an officer of the Government who is not here, and who can not come here to defend himself.

A Senator can not be taken to task, perhaps, in any other place for anything he says upon this floor. Therefore a Senator

ought to be careful as to what he says reflecting upon the character and conduct of other Senators.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. ROBINSON. I yield.

Mr. FRANCE. I am sure the Senator from Arkansas, who knows me quite well, does not believe that I would take advantage of my privilege as a Senator to say anything on this floor, under the law which grants me immunity, which I would not say on a public platform before the American people. I have said these things here, and I have also said them where I can be held accountable for what I did say, and I am sure the Senator does not mean to charge me with taking advantage of my immunity as a Senator on this floor to say things which I would not feel at perfect liberty to say at any gathering of American people.

Mr. ROBINSON. Mr. President, so far as that is concerned, judging by what he says here, I think the Senator from Maryland is likely to say almost anything, anywhere, anytime.

The Senator has been totally unable to understand the trend of my remarks, if he thinks I am complimenting him for what he said or assumed to say here. I am either lacking in the power of expression, or the Senator from Maryland is lacking in the power of comprehension, if he does not understand that I am making the point that a Senator, who can not be taken to task anywhere else for what he says in the Senate, ought not to charge an officer of the Government, who is not a member of the Senate, and therefore can not reply, with misconduct in office, unless he does it frankly, fully, and from a sense of duty; and that is exactly what I understand the Senator from Maryland to have done.

Mr. FRANCE. Mr. President, I admit the charge of the Senator that I am lacking in comprehension. That undoubtedly is the difficulty, because it is beyond my power to comprehend how any Senator could arise upon this floor, without having investigated the charges which have been made by responsible people, and enter upon a general defense of the conduct of the Department of Justice of our Government during the last most trying months.

Mr. ROBINSON. Mr. President, I conclude the matter with this declaration, that the Senator's admission of his lack of comprehension reflects no credit upon his judgment in making a declaration which openly casts aspersions upon the Attorney General of the United States, and in the next breath announces his purpose to take no further interest or action looking to the proving of his charges. The whole purpose of my remarks has been to convince the Senator from Maryland that he ought not to indulge in any innuendo of that sort without standing ready to make good his charges.

Mr. KING. Mr. President, I started out this morning on a pacific mission. I intended to offer but a few remarks upon the necessity of ratifying the Versailles treaty at an early date and pursuing a foreign policy that will increase our foreign trade, but the Senator from Maryland led us into Russia and then stormed the Department of Justice, so that I have been unable to steer the course or reach the goal intended.

Mr. President, it will be impossible, I repeat, within the limits of debate, to discuss all the questions referred to by my friend, the Senator from Maryland, even if I had the opportunity at this time to do so; but as Senators know, the packers' bill must be voted on when we meet next Monday, so that to-day is practically the only period for general debate. The Senator from Wyoming [Mr. KENDRICK] is now waiting for the floor, and the Senator from Kentucky [Mr. STANLEY] is waiting for a chance to discuss that important measure. As soon as opportunity is offered I shall reply to the Senator from Maryland and present what I believe to be the facts in regard to the Russian situation. I take issue with the Senator upon many of the propositions advocated by him, and assert that his policy, if carried into effect, would mean an immediate recognition of the soviet dictatorship, which is cruel and inhuman, and does not speak for the Russian people.

Mr. President, before yielding the floor let me add a word concerning the Senator's defense of Mr. Martens and his implied if not direct condemnation of the Government in ordering his deportation. As I interpreted the Senator, he cordially indorses Mr. Post and the Secretary of Labor for their sympathetic administration of the law of 1918. I call the Senator's attention to the fact that the Secretary of Labor has held that Mr. Martens is a member of the communist organization affiliated with the Third Internationale, and therefore comes within the provisions of the law of 1918 and must be deported.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield.

Mr. FRANCE. The Senator has stated with perfect accuracy the position that was taken by the Secretary of Labor, that Mr. Martens did belong to such an organization; but, at the same time, the Secretary of Labor did exonerate Mr. Martens from any pernicious activities while in this country, as I think the Senator will note if he will read the statement of the Secretary of Labor at the time of the order for his deportation.

Mr. KING. Mr. President, I read the decision of the Secretary. The Senator may be right in his statement of the Secretary's findings, but my recollection is that the decision did not go that far.

But if the Secretary of Labor did acquit Mr. Martens and his staff of activity in the United States hostile to the peace and order of our Government, he closed his eyes to the facts, and condoned conduct which ought to have brought from him condemnation. In my opinion the Department of Labor, in its administration of the law for the deportation of aliens, declined to deport persons who violated the law, and whose conduct called for their deportation, but I acquit Mr. Caminetti, the Commissioner of Immigration, of being privy to this policy.

Reference has been made to the Attorney General. Speaking for myself, I believe that he is, as stated by my friend, the Senator from Arkansas [Mr. ROBINSON], a man of courage, ability, and integrity, one whose Americanism no man can question, and whose loyalty and devotion to the institutions of our country no one can challenge.

The Senator from Maryland [Mr. FRANCE] persists in insisting that Great Britain has not only entered into trade relations with Russia but that such relations have existed for an indefinite period to the benefit and profit of Great Britain. I take issue upon that proposition. The exports from Great Britain to Russia have been inconsequential. They have been so insignificant as to be unworthy of note.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. There can be no doubt, I presume, whether the trade has been large or small, that Great Britain has signified her willingness to enter into trade relations with Russia.

Mr. KING. Mr. President, Great Britain by her conduct has said that any Englishman who desired to trade with Russia could do so, and our Government has said that any American who desires to trade with Russia is at full liberty so to do. Great Britain offers no impediments; neither does the United States. The obstacle to commercial relations with Russia and our country, as well as other countries, is not outside of Russia, but within Russia. The soviet dictatorship has refused to permit the Russian people to buy or sell, even though they had commodities to sell or means with which to buy.

Mr. BORAH. But, Mr. President, England has gone much further than that. I talked with a gentleman the other day who has been in Russia since 1917. He was a soldier there. He resides in the State in which the honored chairman who now presides [Mr. LENROOT in the chair] represents in part. He said that that trade was going on to a very marked degree, and that while officially England was not presuming to do more than the Senator states, as a matter of fact, the English merchant had ample and full protection from the English Government in all his dealings with Russia.

Mr. KING. Mr. President, I think I can prove to the Senator, when I can continue my remarks, that all the importations into soviet Russia during the past one or two years from all countries in the world do not equal the exports of the United States in one day.

Mr. BORAH. I presume that is true, but—

Mr. KING. And I shall prove to the Senator from Idaho that the subjects of Great Britain are trading with Russia to such a limited degree that it is not worthy of consideration.

Mr. BORAH. If they are trading at all, the principle is sacrificed.

Mr. KING. Mr. President, Americans could trade with Russia if they desired; Germans could trade with Russia if they desired; but Germany, right upon her borders, because of the perfidious course of the Lenin despotism and because Russia had nothing with which to pay for the products which the Germans could sell, was compelled to suspend negotiations for extensive commercial dealings.

Mr. BORAH. We are now speaking about a principle, as to whether we sacrifice a principle or not when we open up trade relations with Russia. If we only trade a dollar's worth the



principle is gone, and that is all there is in this debate, as I understand. Be assured that when the barrier is broken down and the so-called principle is abandoned, the amount of trade will be controlled by trade principles, and not by a question of morals.

Mr. KING. I do not know what the Senator means when he talks about "principle." The Government of the United States has announced repeatedly that the Senator from Idaho or any of the constituents of the Senator from Idaho or any other American can trade with Russia if he can find anybody in Russia to trade with. But the Government of the United States has said, as it should have said, that it will not recognize the soviet government so long as it pursues its present course and continues its propaganda and efforts to destroy the United States and all other governments which are founded upon what the soviets call "capitalism."

Mr. BORAH. I do not think there is any man connected with this Government, even including my friend the Senator from Utah, who thinks that the Government is going to be overthrown by propaganda from Russia.

Mr. KING. I agree that such propaganda will not destroy this Government.

Mr. BORAH. That is not what lies at the bottom of this refusal to trade with Russia at all. The soviet government may be a very bad government, and I think it is; but it is a great deal better than any other government Russia has ever had, and in the end, in my judgment, will prove the foundation upon which a sane, free form of government may be established. We did not decline to trade with the Czar or the Czar's government, and yet there never was a government so unfriendly and inimical to the theory of our Government as the Czar's government. We did not refuse to take his gold because no one knew how he got it, nor by what means he acquired it, and yet the methods which were followed by the Russian Government for 300 years were intolerable and indefensible from any standpoint of the principle of American Government.

Mr. KING. Mr. President, the Senator from Idaho and the Senator from Maryland, I believe, and I say it with all kindness, have astigmatism when they come to look at the Russian situation.

Mr. BORAH. It may be that we have astigmatism; but it might be possible, upon a thorough examination it will be found, that the astigmatism is located elsewhere.

Mr. KING. It is possible that that is true. I anticipated that the Senator would make that reply, because it is one which would naturally arise to an inexperienced debater, to say nothing of a debater of the splendid talents of my distinguished friend.

But, Mr. President, the Senator insists, as I understand him, that we have forbidden trade with Russia. That I affirm is not correct. There is no interdiction by the Government of the United States of trade between Americans and Russians. I repeat that the Senator from Idaho or any of his constituents or any other American may put his foot upon any ship that crosses the Atlantic, and under any flag, and can go to any of the ports of Russia, and if he can find any Russian there to buy his goods he can sell them. The Government of the United States offers absolutely no obstacle. If the vendor is willing to take Russian gold, whether it be honestly acquired by the soviet government or whether it be stolen, the Government of the United States offers no objection and interposes no obstacle. The transaction would be between two nationals, and the United States would have no concern. Neither would the United States Government prevent the American selling his goods to the soviet dictatorship and receiving from it any gold which it may have in its possession.

The Senator from Maryland [Mr. FRANCE] seems to proceed upon the theory that the Government of the United States is to be the vendor of all goods exported from its borders, and that it must be the instrumentality or the agency through which all trade activities are to be carried on.

The Government of the United States has no more to do with trade in Russia than it has to do with trade in Great Britain or Germany or France or any other nation to-day. I repeat, any American can trade with Russia if he wishes to, but Americans are unwilling to because of the risks to be encountered.

Why do not Americans trade with Russia? It is because they can find no buyers, because they can find no purchasers who can pay them, because Russia has nothing to export, and having nothing to export, she can not pay for products imported. Moreover, the duplicity and dishonesty of the soviet government make such relations impossible. The Senator says that Russia possesses gold. I shall not discuss that now, but will do so when I can secure the floor. She has perhaps between two and three hundred million dollars in gold. I stated a few

days ago that the soviet government had stolen Rumania's gold, which was valued at more than two hundred millions. It has confiscated gold that France had supplied Russia when she was fighting with the Allies against the Central Empires. All the gold and silver, in whatever form, whether jewelry or plate or otherwise, which the bolsheviks could discover have been confiscated by them, and millions have been used for propaganda and revolutionary operations. My information is that the Lenin government does not possess more than \$250,000,000 worth of gold and silver.

How long would \$250,000,000 of gold last if there were any considerable trade between Russia and the nations that are contiguous to her? If there are peoples near Russia who would sell their products either to the Russian people or the soviet government, and who, no doubt, would accept gold in payment, gold which comes from the soviet government, why does not the soviet government purchase from them and use its stolen gold in payment therefor? The gold is desired for other purposes than trade, and Lenin will not permit trade—until his tyranny is recognized as the government of Russia. It will be necessary to recognize the soviet government to trade with them, and through them with the Russian people, and if there should be commercial dealings, if they had anything to pay for the goods that they purchase, there is no certainty that such goods would ever reach the people for whom they were destined or who might profit thereby.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. BORAH. I thought the Senator was through. I just wanted to say a word.

Mr. KING. I have not concluded what I have to say in reply to the Senator from Maryland, but I must yield to the Senator from Wyoming [Mr. KENDRICK], as he wishes to discuss the packer bill, and the time for considering that bill is limited.

Mr. BORAH. I will only detain the Senate a moment.

Mr. KING. Then I yield to the Senator from Idaho.

Mr. BORAH. I do not wish to delay the Senator from Wyoming. I only wish to say, for fear that some of my remarks may be not entirely clear in the running debate which took place with the able Senator from Utah, that I am in favor of opening up trade relations with Russia, and I am in favor of opening up trade relations with all the nations in the world, and of doing it just as speedily and promptly as we may. My reasons for that I can not state at this time. I simply wanted my position to be understood.

Mr. KING. I am in favor of opening up trade with all the countries of the world. We must send our products into all lands. Our prosperity depends upon our foreign commerce. I shall rejoice when we can send annually hundreds of millions of commodities to the Russian people and receive from them commodities essential to our development and prosperity. America's flag must be found in every sea and in every port. Our raw materials and manufactured products must find markets in every land. There is profound sympathy among the American people for the woes and sorrows of Russia. They are anxiously waiting for the day to dawn in that unhappy land; they sincerely desire that peace and liberty and prosperity shall be the portion of the inhabitants of that State, limitless in area and boundless in its possibilities.

I go further. I am desirous of opening the channels of trade with Germany. I have offered a resolution which calls for the ratification of the treaty, excepting therefrom the covenant of the league. If that course were taken, it would mean the immediate resumption of trade relations with Germany. I should like to see our ambassador and consular agents sent there, and an ambassador from Germany sent to the United States.

Mr. BORAH. Of course, when I said I was in favor of opening up trade relations with Russia, I meant to do all things that were essential and necessary to opening up trade relations with Russia.

Mr. KING. If the Senator means in that statement that he favors our recognizing the soviet government as the de facto and the de jure government and the receiving of an ambassador and other representatives from it, then I can not follow him. If the Senator only means that he favors trading with Russia, then I agree with him.

I should like to continue this discussion, but, as stated, it would be unfair to deprive Senators of their only opportunity of discussing the packers' bill, but when that measure is disposed of I shall ask the indulgence of the Senators, and shall submit further remarks upon the questions raised by the Senator from Maryland.

## MEAT-PACKING INDUSTRY.

Mr. KENDRICK obtained the floor.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Iowa?

Mr. KENDRICK. Certainly.

Mr. KENYON. I think there should be a larger attendance to hear the Senator from Wyoming. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gronna	McCormick	Shields
Ball	Hale	McCumber	Simmons
Beckham	Harris	McKellar	Smith, Ariz.
Borah	Harrison	Myers	Smoot
Brandeggee	Heflin	Nelson	Stanley
Calder	Johnson, Calif.	New	Sterling
Capper	Jones, N. Mex.	Overman	Sutherland
Curtis	Jones, Wash.	Page	Swanson
Dial	Kellogg	Phelan	Trammell
Dillingham	Kendrick	Phipps	Underwood
Edge	Kenyon	Pittman	Walsh, Mass.
Elkins	Keyes	Poinexter	Warren
Fletcher	King	Pomerene	Willis
Gay	Kirby	Ransdell	
Gerry	La Follette	Robinson	
Gooding	Lenroot	Sheppard	

The PRESIDING OFFICER. Sixty-one Senators have responded to the roll call. A quorum is present.

Mr. KENDRICK addressed the Senate. After having spoken for some time,

Mr. SMOOT. Mr. President, will the Senator from Wyoming yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. KENDRICK. I yield to the Senator.

Mr. SMOOT. Mr. President, I am obliged to leave the Chamber in a few moments to attend a meeting of the Appropriations Committee, and I desire to say that I hope when the Senate shall take a recess to-day it will be until Monday next at 10 o'clock. I do not make a motion to that effect at this time, but I simply wish to state if that is done I intend to address the Senate upon the packers' bill Monday morning.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Iowa?

Mr. KENDRICK. I yield to the Senator.

Mr. KENYON. In that connection, Mr. President, I desire to say that on Monday two hours, from 12 to 2 o'clock, have been allotted for speeches without limit, and after that hour the Senate will proceed under the five-minute rule. It will be manifestly unfair for one Senator to occupy the floor at 12 o'clock and speak until 2. There are a number of Senators who wish to speak on the bill, although they desire to speak only briefly, I understand.

Mr. SMOOT. I will say to the Senator that I have no intention of occupying more than a reasonable time.

Mr. STERLING. I do not know that I understand the suggestion of the Senator from Utah. Is it that the Senate shall take a recess at the conclusion of the remarks of the Senator from Wyoming?

Mr. SMOOT. No; I did not make that suggestion. I merely expressed a hope that when the Senate shall take a recess to-day it will be until 10 o'clock on Monday morning next. That will give us four hours in which to discuss the packers' bill before the five-minute rule shall apply, as the bill is to be voted on at 4 o'clock and no speech longer than five minutes can be made after 2 o'clock.

Mr. STERLING. I had expected to address the Senate at some time this afternoon after the Senator from Wyoming shall have concluded.

Mr. SMOOT. There is no intention of adjourning or taking a recess immediately after the conclusion of the remarks of the Senator from Wyoming.

Mr. STERLING. I thought it was the intention of the Senator to ask that the Senate adjourn or take a recess at that time.

Mr. KENYON. If the Senator from Wyoming will permit me, the Senator from Utah knows that it is impossible to get Members of the Senate to attend committee meetings at 10 o'clock, and it seems to me it would be a waste of time to have the Senate convene at 10 o'clock.

Mr. SMOOT. I do not think it will be a waste of time, but, on the contrary, I think it will result in a gain of time. However, I merely desired to express the hope that when the Senate takes a recess to-day it shall take a recess until 10 o'clock on

Monday, and then we will have four hours within which speeches may be made by Senators who desire to address the Senate on the bill, irrespective of the 5-minute rule.

Mr. KENDRICK. Mr. President, on May 21 last I discussed in detail the bill under consideration, and I do not propose at this time to enter into any extended analysis of it, other than to take up a few of the principal points in controversy. Before doing so, however, I wish to refer to certain remarks made by the Senator from Illinois [Mr. SHERMAN] in his speech delivered here on the 20th and 21st instant.

During his discussion of this measure on the 20th the Senator from Illinois, though not calling me by name, but evidently referring to me, took occasion to question whether the Senator from Wyoming was acting in harmony with good ethics in urging this legislation upon the floor of the Senate while maintaining his membership in the American Live Stock Association.

My conception of the principal duty that devolves upon a Member of the United States Senate is that of service to his people and his country. I have never doubted that the results of the enactment of the measure here proposed will be in the highest sense beneficial to the entire country, and I know that it represents the desires of literally thousands of small stockmen and ranchers in the producing States of the country. The fact that I have given my own life to the business of producing live stock and that I am a member of the American National Live Stock Association has served only to make me better aware of the needs of the unnumbered hosts of producers throughout the Union. I am happy to have the opportunity to speak for them here. The Senator from Illinois has chosen to speak not for this vast army of producers but for the limited number of powerful individuals who now control the destinies of the packing industry of the United States. As between my code of ethics and that of the Senator from Illinois in this matter, I am perfectly content to have the people for whom we respectively speak pass judgment.

The Senator intimates that my motive in actively advocating this bill is the hope of financial benefit. Yet the gentlemen who speak for the so-called big packers, in opposition to a degree of Federal supervision of this industry, are unanimous in their prediction that it will not bring financial benefit but disaster to ranchmen and stock growers. I am very glad to have the judgment of the Senator from Illinois that they have been wrong in this conclusion and that the legislation will, as I have always asserted, prove beneficial to the rank and file.

Not only producers but consumers, and I believe packers as well, will profit by the enactment of this bill, which will introduce responsibility where there is now only irresponsibility and establish confidence where there is now only suspicion.

The principle involved in the legislation is one of fair play, of justice and equity between men who are dealing in one of the most important products of the country, and I submit that one may well claim the right to the benefits that will inevitably follow from the enforcement of the rules of just dealing.

In a speech made yesterday the Senator from Illinois referred to a statement which he said I made at El Paso, Tex., during a recent convention of the National Live Stock Association. I will quote his words accurately. He said:

A Senator who is quite active in the Live Stock Association and somewhat intimately connected with the market committee of that association, which is the active instrumentality of the organization, made a public announcement at a meeting of the association held in El Paso that he would resign from the United States Senate in order to serve as a member of the live-stock commission.

Mr. President, the Senator from Illinois was not at El Paso, and I am not aware that any press association attempted to report my remarks. It is regrettable that the messengers of the packing-house interests should misquote the words used at that time, and more particularly should misinterpret the meaning of those words. It is lamentable, from my viewpoint, that a Senator of the United States should be willing to accept such a misinterpretation as the basis of any allusions upon this floor when he might easily have learned from me exactly what was said. No man who heard me at El Paso, not even the messenger who reported to the Senator from Illinois, believed then or believes now that I even intimated that I would resign my seat in this body for the purpose of receiving benefit from any other occupation or any other salary.

What I said at El Paso in an endeavor to impress upon my hearers my anxiety to have this proposed law enforced impartially and without prejudice to any interest was that I would be willing to sacrifice my seat in the United States Senate if by so doing I could bring to the people of this country the benefits to be derived from a law like this.

Mr. President, I have the highest regard for a seat in the United States Senate; I prize membership in this body above any other distinction that the people of my State or any other



State could possibly give me; and I believe that the people of the country understand that the majority of Senators do not enter public service for money making. That is all I wish to say on that phase of the question.

I desire now to consider some of the principal points of the bill before you, and I will do so briefly, in order that others may occupy the floor.

The great stockyards have become and are admittedly public utilities. There has been more than one decision of the Supreme Court of the United States that they are instruments of interstate commerce, and certainly no one will now deny that these vast marts of trade are clothed with a public interest as great as that which surrounds even the railroads. The manner in which these yards are managed affects in the most vital way the food supply of the country. The cost to the consumer, the quantity at his command, the price to the producer, are all dependent upon the conditions that exist in the stockyards.

Under the present system the public interest is in no way safeguarded, and the powerful private interests which have gained control of the markets are under no check. It has been the history of business in this country that irresponsible power over public utilities has always led to grave abuses. Such is the course of human nature, and the repeated investigations which have been made of this industry in the past have proved beyond all question that it has been no exception to the rule. Failure to recognize the fact that, like all other public utilities, these great markets should be subjected to supervision on behalf of the public will mean only that the abuses of the past may be easily repeated in the future.

Those who oppose this bill are insistent that there is no more reason for the establishment of Federal supervision over this industry than over any other, but such a statement does not take cognizance of the fact that this business is not comparable to any other. It has peculiar characteristics that take it out of the category of ordinary business. In the first place, though I recognize that mere size is not in itself an argument for special treatment, yet it is worthy of note that the volume of this business is larger than that of any other business in the country save only that of the railroads, and some representatives of the packing-house interests have stated that it is even larger than that of the railroads. More important, however, is the fact that it has been brought to such a high degree of concentration that it is dominated by a few men. The big-packers, so called, stand between hundreds of thousands of producers on the one hand and millions of consumers on the other. They have their fingers on the pulse of both the producing and consuming markets and are in such a position of strategic advantage that even if they do exercise it, as they claim, they have unrestrained power to manipulate both markets to their own advantage and to the disadvantage of over 99 per cent of the people of the country. Such power is too great, Mr. President, to repose in the hands of any men.

One of the considerations which, in my judgment, is generally overlooked is the fact that with the sole exception of the shipper, all the agencies operating in the stockyards are thoroughly organized.

The commission men have their local exchanges and, in addition to that, their national exchange, in which they formulate most complete and far-reaching rules for the conduct of the industry. We have seen since the beginning of the war one increase in commissions after another, and I may say that the man who pays these commissions has no opportunity to express his opinion as to their justice and equity, much less to control them. Not only that, but there is no one authorized to speak for him.

The scalpers and traders in the yard whose function—theoretically, at least—is to absorb the surplus shipments of stock to the markets also have their organizations. And we have good reason to believe that the packers are not without organization, too. Only the men who go to market with their product, the unnumbered hosts of producers, are without organization, and, in the very nature of things, they can not be organized.

Here I wish to say, Mr. President, that when the producers enter the market they find themselves under every sort of handicap as against the men in control of the yards. Take, for instance, the shipper from a remote section of the country. The moment he puts his stock on the cars and bills it to market his control over his property is virtually at an end. He consigns it to a commission firm, and becomes at once responsible for the payment of enormous fixed charges, while at the same time, because of the peculiar character of his product, he faces heavy loss through shrinkage. When he reaches the market he must sell, and sell at once. He is under a compelling necessity to accept whatever price is offered, because refusal to sell only entails greater loss. If, for instance, he should elect to go to

another market, he must pay additional freight charges, additional yardage charges, he must sustain additional shrinkage in the weight and condition of his stock, and in the end he finds that he faces the same buyers in that other market. All the conditions of the industry combine to put the shipper at the mercy of the buyer. He is not like the producer of wheat, for example, who can store his product. Live stock once shipped to market can not be stored. It must be sold. It can not be held for a better price, for every day's delay in sale entails additional loss. So it is that the unorganized shipper, dealing with highly organized marketing agencies, is sorely in need of some sort of governmental supervision that will guarantee him fair play.

Those who have watched the development of this industry will perhaps have but little anxiety about the man who ships trainloads of live stock. He may be expected to take care of himself, and no sympathy need be wasted on him. He is, fortunately I believe for the country, becoming fewer in numbers each year; but it is about the man who ships a single carload or the man who ships even a single animal that we are concerned in this proposed legislation—the man who is absolutely dependent upon the integrity of the market, the man who can not afford a loss.

Mr. President, it has been strongly protested that there should be no meddling on the part of the Government with a complex business like this. Anyone who has given sober thought to the methods of regulation proposed by the pending bill, however, will not be in the least disturbed by that sort of a statement, for there is no provision in the bill that assumes to give the Government the power to manage any phase of this business whatsoever. Neither does the bill provide for Government ownership, as has been so widely proclaimed throughout the country. The bill is intended to regulate only the trading in the stockyards and to prevent discrimination through the abuse of power. It goes this much further in that it gives to the commission to be created the power to fix the rates that may be charged for commissions, the rates that may be charged for yardage, and the rates that may be charged for feed in the yards.

To illustrate the necessity of such authority being conferred, I wish to point out the fact that, as heretofore stated, within the last few months commissions have been almost doubled, until there has arisen all over the country a protest against the increases. Another incident will indicate the need of reform in reference to feed charges. On recent shipments of cattle that came to my personal attention the shipper was charged in transit from \$40 to \$58 per ton for hay fed to his cattle, although all along the route there were countless thousands of tons that could not be sold for enough to pay freight charges to market. At a time when every farm product in the country is tobogganing in price, we find the fixed charges going up. It is easy enough to understand why the producers of the country are discouraged by such conditions, particularly since there is no agency whatever authorized to maintain just and fair relations between the operators in the yards and the men who constitute the chief pillar of the market, the men who produce and ship their live stock in. Under the present system the commission man to whom consignments are made is the only agent the shipper has, and constitutes his only protection, but unfortunately during the period when the Department of Agriculture under war legislation exercised supervision, several instances were found in which commission men had not fulfilled their trust and by unfair and even dishonest charges had levied an unjustifiable toll upon the shippers.

The object of this bill, Mr. President, is to give to all men who have to deal with the markets a court to which they may appeal for redress of grievances, to set up a governmental body which shall guarantee the rights to which they are now entitled. It is not proposed to give them any special privileges, nor is it proposed to limit the legitimate operations of the packer. This bill does not forbid a single act that is not prohibited by law to-day. It provides only for simple machinery to enforce fair dealing, and I can not understand why any man should oppose it unless for some reason he dreads publicity.

A great deal has been said in the discussions on the floor of Congress and in the press of the country against establishing new bureaus. Mr. President, those of us who propose this legislation assume to say, and have no fear of disproof of the statement, that the great markets of this country have been for years and years controlled and dominated by a self-appointed group of men; and between men acting in that way in their own selfish business interest, and men who are appointed by the Government, by the people of the country, for the interest of the rank and file, there can be no choice whatsoever between a limited group of men who speak for themselves only

and a limited group of men who speak for all the agencies of the market, and all who deal in the market, including the producers and the consumers as well.

A great deal has been said about the cost of this commission. One of the men who at this time represents a packing house told me that he knew of two different firms in the yards that had accumulated within 12 months' time a million dollars each by questionable methods of trading in those yards. I assume to say here and now that the majority of the men having to do with the agencies of the markets are honorable, straightforward, honest men; but many of the abuses that creep into that situation they are unable and powerless to correct themselves if they would, simply because of the law of competition. They are the victims, and not the causes, of many of these abuses. Without some one to speak for the public, without some one to correct the abuse, it never will be corrected; and for every penny expended in the supervision of those markets there will be a dollar returned to the producers and consumers of the country.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER (Mr. PHIPPS in the chair). Does the Senator from Wyoming yield to the Senator from Ohio?

Mr. KENDRICK. I yield to the Senator.

Mr. POMERENE. If it will not interrupt the course of the Senator's argument—

Mr. KENDRICK. Not in the least.

Mr. POMERENE. I should be obliged to the Senator if he would point out what the questionable practices are by means of which these men made these vast sums of money. Also what does the Senator conceive to be the disadvantages to the public from the packers owning the yards; and what are the special advantages which he would expect to be derived from their being owned publicly, or in some other way than under the control of the packers?

Mr. KENDRICK. Mr. President, I shall be very glad to explain the first point, in reference to the questionable practices. I am glad to have a concrete example given by the very man who called my attention to the fact; and I testify here to the fact that there are many men connected with the market agencies it is proposed to supervise who have a real understanding of this situation, and who, whenever it is brought to their attention clearly, never hesitate at all to admit that some instrumentality of the Government must be called into play to correct this situation.

The question asked by the Senator involves this sort of an abuse: As stated a few moments ago, the scalpers and traders of the yards are supposed to serve a useful purpose by absorbing the surplus that is shipped in on an excessive run to market. That is to say, they buy the product and carry it over until there is less of congestion in the yard, ordinarily a period of anywhere from two to three days, when there would be a demand for the product, and they then call upon their commission men to resell it to the packing houses or the killers.

In this case this friend of mine pointed out that that practice had come to be abused by reason of the fact that through connivance between some of the commission men and the scalpers it was practically impossible for the legitimate buyers, the men who wanted the product to kill, to obtain it at the first opportunity. For instance, the packer might be willing to pay the demanded price, but these speculators would be permitted by the commission men to buy at practically the same price, or even less, and within two or three hours after it was bought they would submit it for resale; and every turn meant an unnecessary profit for the middleman and an unnecessary commission that must be paid by either the producer or the consumer of the product. In other words, instead of facilitating the trade of the yards, they were acting as an impediment, and the product changed hands in a way that would involve two commissions, which might under legitimate circumstances be entirely reasonable and regular; but under such circumstances as those, of course, it imposes an increased burden and an unnecessary one.

In reply to the question the Senator has asked with reference to the ownership of the stockyards, let me say that I, for one, have never seriously objected to the packers owning an interest in those stockyards; and I call attention here and now to the fact that there never has been a bill introduced in this body by me, there never has been a word uttered here by me, to indicate that in any way, under any circumstances, it was my intention, or the intention of those who joined with me in proposing this legislation, to penalize the packers or punish them for anything they have done in the past or might do in the future.

I want to point out, further, that failure to join hands and meet this situation squarely and bring it to a final conclusion, in order that there might be order where there is now disorder, in order that there might be peace where there is now a public clamor, has already in my judgment involved a serious loss in dollars and cents, or is likely to involve it, through the sale of these yards. As long as the packers do not control and dominate the yards to their own advantage and to the detriment of the shippers, there is no reason under the sun why they should not have an interest in those yards if they care to do so; and I am willing to say also that I have never had any desire to prevent the packers from entering any other line of business that might attract them. Indeed, I might be persuaded to doubt the constitutionality of the recent decree so far as it related to that particular matter. But I may add that there never has been a contest between entrenched privilege and popular rights that the effort has not been made to transform the Constitution into a bulwark of privilege. Why, at this very moment when the farmers of the country are clamoring for credit and should have every legitimate accommodation that may be extended to them, the functioning of the Federal farm loan system has been suspended because a corporation interested in the profits derived from private loans is endeavoring by testing the constitutionality of the Federal farm loan act to prevent the Government from coming to the assistance of the farmers. Had it not been for this appeal to the courts the farm loan system would have been enabled to put millions at the disposal of the farmers and thousands of them would have been saved from real distress.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Kentucky?

Mr. KENDRICK. I yield to the Senator.

Mr. STANLEY. Under what clause of the Constitution does the Senator claim that Congress would have a right to prevent the packers of meat from engaging in the manufacture or sale of some other product?

Mr. KENDRICK. The Senator from Wyoming just made the statement—the Senator from Kentucky evidently did not hear it—that he was not altogether convinced that it was constitutional.

Mr. STANLEY. To prohibit it?

Mr. KENDRICK. No.

Mr. STANLEY. I misunderstood the Senator. I understood him to say he thought it was.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Iowa?

Mr. KENDRICK. I yield to the Senator from Iowa.

Mr. KENYON. I do not want to see the Senator from Wyoming led further than I believe he intends to go. If the control of other business—competing business, substitutes for the products of the packer—tends to monopoly and is in interstate commerce, then there is a right to regulate it. I do not think the Senator from Wyoming intends to go so far as to state that that proposition is unconstitutional.

Mr. KENDRICK. I am glad the Senator called my attention to that, because I did not intend to convey that meaning.

Mr. STANLEY. Mr. President, the handling of these outside commodities would have to be an integral part of some restraint of trade, it would have to enter integrally into the control of commerce, before you could reach it under the commerce clause of the Constitution, whether it tended to monopoly or not.

Mr. KENYON. If the whole scheme and plan enters into interstate commerce, then you go further; if there is a tendency to monopoly, then Congress has the right to control it.

Mr. KENDRICK. Concluding my statement in answer to the question of the Senator from Ohio [Mr. POMERENE], I want to say that I have not been one of those who have opposed or objected to the packers having an interest in the yards. What I object to is their domination of the yards. I insist it ought to be an entirely uncontrolled market, in which every man meets every other man as nearly as possible on a complete equality, and therein lies the whole question. Undoubtedly the control of the yards in the early days involved the prevention of the building of other packing houses. I think that is generally agreed. It also resulted in discrimination. There are many records, I believe, to that effect, showing discrimination in the management of the yards, the favoring of one commission man over another, by the distribution of locations within the yards, for, of course, there is a great advantage in buying and selling to be gained by a commission man from occupying a favorable location where the buyers can see the stock to advantage. This power to exercise favoritism and to show discrimination has



been abused in the past, and in the very nature of things it will be abused in the future unless there is some supervisory authority, greater than any of the agencies involved, which is interested in maintaining justice. Domination of the yards by a private agency which could profit from discrimination is not to be tolerated, but as long as no particular private group has sufficient power to dominate the situation there is no reason why such a group should not have an interest in the yards. The trouble in the past has been that the big packers have dominated the markets to the disadvantage of the producer and consumer. My aim in this legislation is to see established an instrumentality of the whole people which through the power of publicity will protect the yards against the arbitrary and unjust exercise of power.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator yield to the Senator from Utah?

Mr. KENDRICK. I yield.

Mr. KING. I have not had the pleasure of hearing all of the remarks of the Senator, having been called from the Chamber. My understanding is that the court has recently entered a decree which compels the packing companies to dispose of their holdings in the yards, in part or in whole. Am I right in regard to that?

Mr. KENDRICK. Yes; I think so.

Mr. KING. And this bill has for its object, has it not, the confirmation of the view the courts have taken?

Mr. KENDRICK. It has the purpose of crystallizing that decree into legislation.

Mr. KING. In the opinion of the Senator, would he permit the packers to have some other than an ordinary interest in the yards, and does he not think it would be injurious to the packers if they had more?

Mr. KENDRICK. I have never opposed that, Mr. President, and I would not now.

Mr. KENYON. Will the Senator permit me to say further, in answer to the Senator from Utah, that the decree, which is a consent decree, separates the yards from the packers. But it has never been agreed just how that shall be done. The packers, by their counsel, maintain that there is no law to compel them to give up the stockyards. This bill brings the law up to what the packers practically agreed to.

Mr. RANSDELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. KENDRICK. I yield.

Mr. RANSDELL. I understood the Senator from Ohio to indicate in his question that this bill would provide for public ownership of the yards. Perhaps I misunderstood him. I would like to say that that is not contemplated in the bill at all. Section 13 provides that the packers must dispose of their interests within two years, and then it contemplates that any private person or corporation may engage in the stockyard business, but must obtain registration from the commission created by the bill. But it will not be public ownership. Perhaps I misunderstood the Senator.

Mr. POMERENE. Mr. President, I think the Senator did misunderstand me. I indicated no preference for either one scheme or the other. What I asked of the Senator from Wyoming was this, What were the disadvantages to the public which were derivable from packer owned and controlled yards, and what would be the advantages if the packers ceased to own these yards and they were owned or controlled by some other body? That was the main purpose of my question.

Mr. RANSDELL. I do not wish to interrupt the speech of the Senator from Wyoming, but it seems to me that one could readily understand that if one were both buyer and seller he could work on his own interest very well, and if the packers owned and controlled the yards and sold to themselves, there might be a good deal of collusion unless they were remarkably honest people.

Mr. KENDRICK. The Senator from Louisiana has described the situation very well. The suspicion that discrimination is practiced is, in one way, just as bad as discrimination.

Mr. President, we have had many direful predictions as to what may happen if this bill should become a law. It has been stated that it would upset the business, and even that it would actually destroy this industry.

Fortunately for us we have a very good precedent for this legislation. Until a few years ago in Canada the buyers and slaughterers of live-stock products went to the country for their supplies, as they originally did in this country. Finally the markets were concentrated much as they have been in this country. With that concentration came suspicion and distrust

about the methods of the market. The demand for reform arose, the protest originating with the live-stock association.

Within a few short months after the protest was made the Canadian Parliament enacted a law, quite analogous to that here proposed, placing the industry under the supervision of the minister of agriculture and establishing a system of Government licenses for the agencies in the yards.

We had extensive hearings in our committee, as the Senator from Louisiana [Mr. RANSDELL] will remember, and we had witnesses from all over this country. It was declared by nearly every witness who came before our committee that if we should enact a license bill it would place the whole industry under bondage and destroy legitimate business. Nearly every witness who testified before our committee, at least the great majority of them, where they were questioned on that point, admitted that some legislative action ought to be taken, but they objected to the licensing.

In deference to that objection, so as to avoid even the appearance of imposing any unfair condition upon the industry, the licensing system then proposed was abandoned and this commission was provided as a substitute. But in Canada the licensing plan was made operative. The Canadian measure gives the minister of agriculture the power to fix commissions, to regulate charges of other kinds in the yards, and in a general way to supervise the methods employed in those markets.

In discussing the effect of the legislation within the last 10 days with the minister of agriculture, Dr. Tolmie, one of the most capable and efficient ministers of agriculture, I think, serving any Government to-day, he told me that that one of the salutary effects of this legislation was to bring confidence to the markets, and he assured me business is now proceeding in an orderly instead of a chaotic way. Confidence is a thing that our markets have never known from the time they were initiated down to the present time. I believe without any question in the world that it is due largely to the condition I have described, of complete and full organization on one side and of an equally complete lack of organization on the other.

Mr. RANSDELL. Mr. President, I would like to know if under the Canadian system the packers are permitted to dominate and control the stockyards.

Mr. KENDRICK. Mr. President, I have not the details of the Canadian plan before me, but I was told by Dr. Tolmie that there had resulted from the law general good understanding and confidence in the markets. That would indicate, from my viewpoint, that there has been no domination of their markets since the enactment of the law.

Mr. RANSDELL. May I ask, further, if the law permits the minister of agriculture to manage and control the situation in the marketing of cattle?

Mr. KENDRICK. That is undoubtedly the intention of the law, as I understand it.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator yield to the Senator from Nevada?

Mr. KENDRICK. I yield.

Mr. PITTMAN. Does all the stock which goes into these large centers go into these yards?

Mr. KENDRICK. I should say, in answer to that question, that practically all the stock is shipped directly to the yards. Many, many thousands of animals are shipped from the yards to the country, because they are unfit to go to the slaughter pens, and are afterwards returned to the yards for slaughter.

Mr. PITTMAN. If a stock raiser were shipping a carload of cattle to Kansas City, or to Chicago, or to St. Louis, would those cattle have to go into the stockyards in those places? What I am trying to get at is this, whether these yards are essential to the stock raiser. Are they essential to the marketing of his stock?

Mr. KENDRICK. Mr. President, I am convinced from close study of that situation that it is the most economical way the business could be handled. I do not believe there is a doubt in the world but what the large owner or large producer of live stock would, perhaps, profit more by having the buyer come to him in the country; but the multitude of smaller owners might be, and probably would be, overlooked in the remote sections of the country, and might not in that way have as ready a sale as they do by going into the markets. I consider the concentration that has come about entirely too great. I believe we would have very much more economical handling of the products if the yards or markets were distributed more widely over the country, always, of course, with a view to the sufficiency of the supply to keep the market going. Of course, you can understand a duplication of shipments enters into it largely, where live stock are shipped from one section of the country over long distances by rail and then, after being

slaughtered, the product of the live stock is reshipped back, in many cases, to the point of origin. But it is a matter of fact that under the present system practically all the live stock sold in interstate commerce for slaughter are sold in the stock-yards.

Mr. SHEPPARD. Mr. President, may I ask the Senator if, under this bill, it will be optional with the seller as to whether he will effect any particular sale through a stockyard?

Mr. KENDRICK. There is nothing arbitrary in the bill at all.

Mr. PITTMAN. Mr. President, smaller producers of cattle or other stock, when they ship their products to the market, are constantly out of touch with it from that time on, are they not, and at the mercy of the people handling the stockyard?

Mr. KENDRICK. There is not a question about that, Mr. President, and I want here to emphasize this point. It is difficult, of course, to have people appreciate how this situation involves so many different features, and I understand full well that it is a problem for a man who has not seen the yards, who has not visited them, who has not followed the shipment from its origin to the yards, and has not seen the helplessness of a shipper, to realize what the situation is. As a matter of fact, there is no system of marketing in this country on a parallel with this. The man ships his stock to market, as the Senator from Nevada [Mr. PITTMAN] has said, and even if the market be conducted on principles of absolute integrity, there are conditions which arise compelling him to be suspicious, in many cases, of the whole transaction.

Let me cite one. Suppose a man loads a car with cattle or hogs or sheep out in the western country within, say, 24 to 36 hours' run of the market. He has a local paper, and he judges from the class of cattle or sheep or hogs, as he knows them, as to the class into which they will fall in the market. He consigns them to a commission house, and, as the Senator has said, he has nothing further to say about it. He probably accompanies the shipment himself. When he has reached the market it will be "called off," as they say, to the extent of 50 or 75 cents a hundred. That will entirely absorb, in many cases, every dollar of equity he has in that live stock, including his feed for the winter. His labor and the use and employment of his place and his teams and everything else will be completely lost by this decline in the market.

He will take his check, whatever it is, and return home, and the day after he gets home he will see that the market is right back where it was the day that he left home. In the meantime there will not be the slightest fluctuation or variation in cost to the consumers of the country. Perhaps it was an entirely unavoidable circumstance, but can you blame a man for resenting a condition that eliminates his profit, that takes the equity he had, and sometimes more than the equity, when he finds himself in debt where he should have a surplus?

I should like to have the Senate get just a glimpse of what the stockyards are like. The 14 largest stockyards in the country include, among others, Chicago, Kansas City, Omaha, and similar places. One of those yards alone, Chicago, covers an area of 1 mile square, as I understand it. In that yard alone on every business day there is a transfer of \$4,000,000 of value. Any man who has ever entered the gates of those yards under present conditions understands the hopelessness and helplessness with which the individual shipper faces that situation. A few yards like this handle the great bulk of the live stock shipped in interstate commerce for slaughter, and these yards are owned or dominated by the big packers. This condition is not the result of normal development, but it is an artificial result of discriminatory practices of the past.

Mr. RANSDELL. Will the Senator please tell us who owns the big stockyards in Chicago now?

Mr. KENDRICK. I can only refer the Senator to the showing made by the testimony given, I believe, before the Committee on Agriculture and Forestry. I believe that the dominant factor in the ownership of the yards at that time was a man by the name of Prince, of Boston, who is supposed to have held a large share of the control through certain systems of bearer warrants and that sort of thing, so as to leave the question of actual ownership very much in doubt. However, I believe before the hearings were concluded that the reports on the question, whether they came from the Federal Trade Commission or whether from hearings before our committee or the Committee on Interstate Commerce in the House of Representatives, brought out the fact that J. Ogden Armour owned a large part of the stock, though I do not recall how much.

Mr. RANSDELL. Was not the committee left under the impression that the real control or, if I may use the word, the real manipulation of the great stockyards of the country was, as a matter of fact, in the hands of the men who were prac-

tically the only buyers of the commodity sold in those yards, so that, to put it in plain English, they were both sellers for the owners of the produce and purchasers of that produce from themselves or their agents?

Mr. KENDRICK. I believe the statement is fully confirmed by the information contained in the report. Not only that, but there is too abundant evidence to show that every opportunity has been employed to increase the capitalization of the yards, and with the increased capitalization has always gone increased yardage costs to pay increased dividends to the stockholders, and that must come out of the pockets of the producers and consumers.

Mr. RANSDELL. May I ask another question? Does the Senator, who is certainly a man of affairs and well posted in the matters of the Nation, know of another large commodity of any kind in the country which is sold by a set of agents to themselves? The Senator was reared in Texas and is pretty familiar with cotton. Do the cotton spinners, who consume the cotton raised by the southern farmers, sell it to themselves or is it sold to the spinners by an entirely independent set of men who have no connection—at least, so far as I know—with the men who consume the cotton?

Mr. KENDRICK. I stated a few moments ago that I knew of no other industry the market conditions of which are in any way parallel to this. I regret my inability to inform the Senator about conditions with reference to cotton. The greater part of my cotton picking was done on horseback, and I am uninformed entirely with reference to that matter.

Mr. RANSDELL. If the Senator will permit me, I can say that so far as I know the men who sell the cotton have no connection whatsoever with the people who spin the cotton into the cloth ready for consumption by the American people.

Mr. KENDRICK. In connection with the question of disposition, I think perhaps it could be clearly shown that in any event the men who buy the cotton do not own the market place in which the cotton is sold.

Mr. RANSDELL. They certainly do not.

Mr. FLETCHER. Mr. President—

Mr. KENDRICK. I yield to the Senator from Florida.

Mr. FLETCHER. I should like to hear the Senator upon this phase of the bill, though perhaps he has already dwelt upon it in my absence. I am puzzled a little about this thought. Granting that there is need of legislation on the subject, is it advisable to create a new commission? Would not the purpose be accomplished by vesting the Federal Trade Commission with all the power and authority proposed to be given to the new commission? The Federal Trade Commission have an organization; they are in position to make investigations under the law as it now stands, I believe, and if, upon inquiry and study and hearings, they find that certain practices are in violation of the law, they now have the authority to order those practices to be discontinued; they have the authority to say "You must quit," but that is all the power they now have.

Suppose we gave the Federal Trade Commission the power and authority to enforce their findings, in other words, invest them with all the authority that we give the proposed new commission under the terms of the bill. That brings us to the question whether it is necessary or greatly to be desired in the public interest to create here a new commission to deal entirely with the subject.

Mr. KENDRICK. I am very glad to have the Senator propound the question.

Mr. STERLING. I might add to what the Senator from Florida has said that by reason of the investigations already made, the Federal Trade Commission ought to be reasonably familiar with the practices and methods of the packing industry.

Mr. FLETCHER. That was my idea, that they had already made investigations and that they were equipped for making perhaps a more thorough investigation than almost any new commission would have the facilities for making, and particularly at the start. But I am not advised whether the industry is so great and its ramifications so extensive that there is need for a special commission to handle that subject alone in the interest of the public. I should like to hear from the Senator upon that question.

Mr. KENDRICK. I regret that the Senator was not in the Chamber when we discussed that point a few moments ago. I will say, however, that the original bill provided for authority over and control of markets by the Secretary of Agriculture, but there was such a strong protest against that character of legislation on account of what was termed by the witnesses "one-man power," and the further statement by at least a great many witnesses that they would not object to a separate commission, that this plan was adopted to meet that objection.



The question raised by the Senator from South Dakota as to the machinery for making any investigation is entirely correct, but unfortunately the Federal Trade Commission to-day has more responsibility and more work, in my judgment, than it can possibly take care of. In addition to that is the fact that these markets constitute the greatest marts of trade and the greatest beehives of industry in the country. In providing for a separate commission we had in mind the belief that this body would, at least at the beginning of its work, be the busiest commission in the United States.

One can not conceive, whatever may be said here, of the restless spirit of criticism that has prevailed over a period of 40 years, and is still growing apace. This sentiment has not arisen, as we have been told, because of accusations here in the United States Senate. What we hear about it here is like the spray thrown from a great tidal wave. I believe that if the bill is enacted into law and the commission is put into operation it will serve the country more fully, more completely, and more beneficially than any commission we now have.

Mr. STERLING. Mr. President—

Mr. KENDRICK. I yield to the Senator from South Dakota. Mr. STERLING. I call the Senator's attention to the last report of the Federal Trade Commission at page 38, under the head of "Meats," where is set forth a statement showing the subject of the investigation by the Federal Trade Commission. They have issued a report, or rather a series of reports, covering the various subjects, as follows:

- Part 1. Extent and growth of power of the five packers in meat and other industries.
- Part 2. Evidence of combination among packers.
- Part 3. Methods of the five packers in controlling the meat-packing industry.
- Part 4. The five larger packers in produce and grocery foods.
- Part 5. Profits of the packers.
- Part 6. Cost of growing beef animals; Cost of fattening cattle; Cost of marketing live stock.

A commission which is able to make a report on those great subjects—and they are subjects in which we are interested here in considering the packing industry—it seems to me is best fitted of all others to go ahead and exercise control from now on.

Mr. KENYON. Mr. President—

Mr. KENDRICK. I yield to the Senator.

Mr. KENYON. I wish to make a suggestion to the Senator from Florida and to the Senator from South Dakota, supplementing what the Senator from Wyoming has said. It was my opinion when we started out on this proposed legislation that the packing industry could be put under the Federal Trade Commission. I felt, as many other Senators did, that it was not advisable to increase the number of commissions. I wish, however, to say to the Senator from Florida that there is somewhere in the Record, though I can not put my hand on it now, the statement made before the committee by Mr. Levy Mayer, a very eminent attorney and an attorney for the packing interests, that their business in all its various ramifications exceeded the business of the railroads. Because of its magnitude I have been rather converted from the idea of putting this matter in the hands of the Federal Trade Commission. It is equal to the railroads in extent—that is one of the justifications for the pending measure—and it is just as important to the country.

There are just as many complicated questions arising in reference to it as arise in the management of the railroads. We could not get along without the Interstate Commerce Commission; we could not put the railroads into the hands of the Federal Trade Commission. That commission is rushed and its time is occupied to the limit.

I will say to the Senator from South Dakota that it was in response to a request of the President that the Federal Trade Commission made the investigation covered by the report in six volumes to which the Senator has referred. The House tried to pass what is known as the Borland resolution, but that was defeated by methods which I shall try to explain when I get the floor, by the most complete system of lobbying and maneuvering, by the same kind of lobbying that has been practiced against the pending bill. That all came out in the report. When the Borland resolution failed, then the President asked the Federal Trade Commission to make the investigation. They did so to the detriment of their other work. It was a tremendous task. That is why I feel so strongly that this work should not be imposed upon the Federal Trade Commission. It can not be done by them; it is too large, too extensive, too important to be added to the work which they are already performing.

Mr. STERLING. Mr. President, if I may make a suggestion in answer to the Senator from Iowa in regard to the magnitude of the work and the fact that it can not be done by

the Federal Trade Commission, I desire to say this: All such work is done, after all, by experts who are selected by the Federal Trade Commission. If the live-stock commission bill becomes a law the experts will be selected by the live-stock commission to do the work and they will make their report to the commission. In verification of that, I have here a report on "The maximum profit limitations fixed on the meat-packing industry," transmitted by the Federal Trade Commission in response to Senate resolution of September 3, 1919. Turning to that report, I find this letter being a part of Exhibit I of the report:

FEDERAL TRADE COMMISSION,  
Washington.

GENTLEMEN: Having been directed by you to ascertain the facts pertinent to the question of the reasonableness of the maximum profit limitations imposed on meat packing and slaughtering companies by the present regulations of the Food Administration, the undersigned beg to report the results of their investigation as follows:

The undersigned are Walter Y. Durand, Perley Morse & Co., and Stuart Chase. There are two other reports here if not more, but those two I have discovered. One is Exhibit II, and in that instance the letter to the Federal Trade Commission is as follows:

GENTLEMEN: In accordance with your instructions we have made an investigation of the profits of certain meat packers affected by the rules and regulations of the Meat Division of the United States Food Administration, and we submit herewith in relation thereto the following report:

That is signed by Perley Morse & Co., certified public accountants.

The next, Exhibit III, is "Regulation of Packers' Profits," and that report is signed by Mr. Chase alone.

So it seems to me, Mr. President, that there is very little in the contention that the task is too big for the Federal Trade Commission to perform. They will, of course, supervise, control, give directions, and lay down policies, but the work of investigation must necessarily be carried on by men whom they will employ for that particular service. It would not be expected that the Federal Trade Commissioners or, if a live-stock commission shall be established, that the live-stock commissioners will themselves personally investigate the accounts, the statements, and the methods of transacting business of the packers, or, in the case of stockyards, will investigate the stockyards, but they will send their inspectors and their experts to do that work.

Mr. KENDRICK. Mr. President—

Mr. STERLING. If the Senator will pardon me for a moment longer, I desire to say that I have a substitute bill here which is found for the first time on Senators' desks to-day. I had expected to address the Senate briefly this afternoon in regard to that substitute, pointing out its main features, but I shall hardly have time to do so. I say that because, according to the program, other Senators are to follow the Senator from Wyoming [Mr. KENDRICK]; it will then be getting late, and to-day is Saturday; but I hope that Senators will have reference to the substitute which I have offered, which is briefly this: It preserves all the prohibitions so far as the packers are concerned found in the pending bill, but provides that the Federal Trade Commission shall have supervision. It then provides that sections 5, 6, 7, 8, 9, 10, and 11, governing the procedure throughout, shall apply in the case of the packers' and operators' industry just as they apply in the matter of the duties of the Federal Trade Commission.

Mr. JONES of New Mexico. Will the Senator from Wyoming yield to me?

Mr. KENDRICK. If the Senator from New Mexico will wait for just a moment, I will yield to him. I wish to say to the Senator from South Dakota [Mr. STERLING] that the matters referred to by him were all considered by those who are responsible for framing the pending bill. One of the difficulties involved in leaving the responsibility for the execution of the law to the Federal Trade Commission is that it is going to be necessary for the live-stock commission, if the law becomes operative, to be in continuous session; it is to be an administrative body; and one of the reasons why I wished it to be a commission of three men and not less was to be sure that there would be no discrimination between any of the market agencies or the patrons of the market. I also wished to make sure of the fact that the authority was not to be, as the Senator has suggested, a delegated authority. I desire a commission that will pass upon the questions at issue.

I was reminded of what I take to be a defect in the bill by the Senator from New York. The bill should, in my judgment, provide that the commission take action on complaint, and it should be, in my judgment, amended in that way. However, the commission should be available to parties interested at any time, and it will undoubtedly have more business than any

other commission burdened with other responsibilities could take care of.

This work of this commission is to be largely administrative in character, and the best way to avoid the dangers of what we sometimes hear denominated bureaucracy is to see to it that responsibility for the work to be done and the actual doing of it are united in the same persons. In order to obtain the desired results, this commission should be composed of men of unusual business qualifications and unquestioned integrity of purpose, who could and would give their undivided attention to this industry.

My feeling is that the members of this commission should give their personal attention to the problems. One of the principal objections to be raised against the suggestion of putting this work under the direction of the Federal Trade Commission is the fact that such a course would necessitate delegated authority.

I want a commission that is eternally and continuously on the watch, and not one which will merely give its attention to the meat-packing and live-stock problems as incidental business, not one which from press of other duties will be compelled merely to review the findings of other and perhaps less able men. The magnitude of the packing industry is so great and it is so tremendously important to the country that it can not be treated as incidental business.

I wish to say that nothing under the sun would more conduce to increased production in this country, and ultimately to cheaper food products for the people of the Nation, than a dependable market, one wherein the producer would understand, beyond the shadow of doubt, that he would not merely get what is called "a fair market," but would get "the market" for his products, based on the law of supply and demand. The average producer in this country is a pretty good sport; he is not afraid to take his chances; but he wants to know that he meets the other man on a dead level and does not have to go against stacked cards. I now yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I merely rose for the purpose of making the suggestion which the Senator has just so ably covered in his remarks, and to call attention to the distinction between the administration of a bill of this kind and a mere investigating commission, such as the Federal Trade Commission chiefly is.

Mr. STERLING. Mr. President, if the Senator from New Mexico will allow me, I desire to suggest to him and also to the Senator from Wyoming, lest they may have misunderstood me in that respect, that the substitute intended to be proposed by me confers every power that the original bill confers upon the live-stock commission. I will ask the Senator to read the two bills and compare them and see if the proposed substitute does not confer every substantial power that the original bill confers, and if the proceedings therein provided for are not substantially the proceedings provided for in the pending bill.

Mr. GRONNA. Mr. President—

Mr. KENDRICK. I yield to the Senator from North Dakota.

Mr. GRONNA. Mr. President, the Senator from Wyoming will remember that I was one of the members of the committee who believed at first that it would be an act of wisdom to impose the additional burden upon the Federal Trade Commission. However, I became thoroughly convinced, after hearing the testimony for weeks, that it would be impossible for the Federal Trade Commission to function and perform the duties required of it under the original act creating it, namely, to investigate not only the meat industry but all industries of the country in cases where there was a violation of law. I say without any hesitancy that if the pending bill is to be changed so as to impose the duties required by it upon the Federal Trade Commission, that will be about all the Federal Trade Commission will be able to do, because it will keep one commission very busy in order to dispose of the questions which will come before it in connection with the meat-packing industry, the business of which is larger in dollars and cents, I may say, than that of the railroads.

The Senator from Wyoming is correct in the statement which he has made, that it will require the constant attention of the members of the commission—I care not whether the commission be composed of three or five—and they will have all they can do to perform the duties required of them under the provisions of the committee bill.

Mr. STERLING rose.

Mr. GRONNA. If I may be pardoned for a moment longer, the Senator from South Dakota says that his proposed substitute confers the same powers upon the commission as those conferred by the pending bill. I assume that he has reference to the Federal Trade Commission, but I hardly think the Senator from South Dakota will claim that his substitute gives the same power and the same authority to the Federal Trade

Commission as is proposed to be given to the live-stock commission by the committee bill. It is true that the substitute of the Senator gives the Federal Trade Commission the same power which it now has, beginning with section 6 of the Federal Trade Commission act, but the proposed substitute does not confer, and will not confer, the same power and the same authority as is sought to be conferred by the original bill.

Mr. STERLING. Mr. President, if the Senator from Wyoming will yield further, I should like to ask the Senator from North Dakota to say what substantial power conferred in the original live-stock commission bill is not also conferred upon the Federal Trade Commission by the proposed substitute presented by me?

Mr. GRONNA. Mr. President, I can not take the time to do that. Running all through the entire bill the Senator has eliminated authority given the Federal live-stock commission which is not contained in his amendment.

Mr. STERLING. Mr. President, I have this to say, in all candor, to the Senator from North Dakota: I have compared the original live-stock commission bill with the provisions of my bill, of course, and I do not now think of a substantial power contained in the live-stock commission bill with reference to the packers that is not contained in this substitute bill. It was the intention to confer upon them the same powers. As I said to the Senator a while ago, the substitute bill contains exactly the same prohibitions and restrictions with reference to the packers, word for word.

Mr. GRONNA. Does the Senator maintain that it gives the Federal Trade Commission power to say what kind of book-keeping shall be used?

Mr. STERLING. It does.

Mr. GRONNA. I say to the Senator that I do not think it does.

Mr. STERLING. Shall I read it to the Senator?

Mr. GRONNA. Yes; I should like to have the Senator read it.

Mr. STERLING. I will read it.

SEC. 8. That every operator and packer engaged in commerce shall keep such records and statements of account, and make such reports or returns, verified under oath or otherwise, as the commission shall require, as will fully and correctly disclose all transactions involved in its business, and the true ownership of such business by stockholding or otherwise, in such form and at such times as the commission shall by order require. The commission may, in its discretion, prescribe uniform systems of accounts and records and require the installation and use thereof by packers or operators. If such uniform systems are prescribed and required by the commission, no packer or operator shall keep any accounts, records, or memoranda other than those prescribed or approved by the commission. For the purpose of enforcing the provisions of this act, or of any rule, regulation, or order issued hereunder, or of verifying any such reports or returns, any officer or agent of the Government designated by the commission may, during the usual hours of business, enter and inspect any place used by any packer or operator in its business, and examine any books, papers, records, or correspondence relating to such business.

That is taken in haec verba from the Senator's own bill.

Mr. GRONNA. I will in my own time explain the difference in the Senator's substitute and the committee bill.

Mr. KENDRICK. Mr. President, one of the current statements in the discussion of this measure is the declaration that the operation of the proposed commission will, as stated before, ruin the business. This contention is not borne out by the experience during the recent war, when for some months the Government had almost complete control of these yards, and during that time a larger volume of business was transacted than was ever known in the history of the markets. It was not borne out a few years ago, when through the action of Congress and the Federal Government sanitary methods were enforced in the yards. It was contended at that time that to require inspection of the slaughtering and inspection of meats would have the effect of closing foreign markets to our products.

The demand for improvement in the conditions that then prevailed in the stockyards and commission houses was denounced as "agitation" and those who insisted upon reform were condemned as "agitators" in the same manner and in the same language now employed with respect to this movement. The producer was warned that the only result would be to ruin the industry and turn the foreign markets over to the producers of other countries. But these predictions were all mistaken. The country refused to be intimidated, and under the leadership of former President Roosevelt insisted upon legislation. The result was that the stamp of Government approval on American meats, thus guaranteeing their quality and cleanliness, sent those meats to the four corners of the earth, to newer and larger markets than ever before.

In this connection I desire to insert in the Record a letter from former President Roosevelt, written to the chairman at that time of the Agricultural Committee of the House of Representatives, showing how the mere agitation for reform was productive of beneficial results. I also desire to include a letter just received from the National Consumers' League, signed by the secretary,



Mrs. Florence Kelley, and a letter from the United Mine Workers at Point of Rocks, Wyo. I shall not take the time to read these letters.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, June 8, 1906.

MY DEAR MR. WADSWORTH: In accordance with your request, I send you herewith the two reports of inspection by the committee appointed by the Department of Agriculture of April 5 and 13. This committee had already been appointed when I notified the Secretary that I desired that such a commission should be appointed in order to make the investigation. Subsequent complaints to me and the consideration of complaints already made showed that the charges were not only against the packing houses, but also to a certain extent reflected upon the action of the Government inspectors, and I came to the conclusion that it was best to have an investigation by outside individuals who could not be charged with being in any way interested in the matter. Accordingly, before the completion of the investigation by the Department of Agriculture, I directed Mr. Neill and Mr. Reynolds to make an investigation, the first report of which has been laid before Congress. Much testimony has been offered to us which has not been considered in this report, for Messrs. Neill and Reynolds in this report confine themselves to stating in more or less summary way the facts as to which they had been eyewitnesses, and what they have said can not be successfully controverted. Some of the ground traversed by Messrs. Neill and Reynolds is not touched upon in the report of the committee of the Agricultural Department. As to the ground covered in common by the reports of the two investigating committees, there is no conflict in substance as to the important matters, although there is a marked difference in emphasis, this being partially due to the greater length and detail of the report of the committee of the Department of Agriculture. In my judgment the emphasis of the report of Messrs. Neill and Reynolds is abundantly justified by the facts.

To show the immediate and extraordinary change for the better which the mere fact of their investigation is already bringing about in the condition of the packing houses in Chicago it is only necessary to instance the following portions of a letter received from a most competent and trustworthy witness in Chicago, whose name I will give the committee if it so desires:

"CHICAGO, Friday, June 1.

"On Monday I began a tour of all the great packing houses, going first to Libby's, then Swift's.

"Tuesday, all the morning, discussed changes that ought to be made and caught a glimpse of the awakening at Armour's. In the afternoon visited the plant with the superintendent.

"Wednesday I rested and contemplated the 'awakening of pack- ingtown.' It is miraculous.

"Thursday did Nelson Morris with the superintendent. \* \* \* Nelson Morris has done much to make things better. By the time the next inspecting party arrives they will have still more new lavatories, toilet rooms, dressing rooms, etc. Cdspidors everywhere and signs prohibiting spitting. In most the awakening seemed to come by force from without. There was the slightest indication that the 'still, small voice' was at work also.

"At Armour's, at my suggestion—I made no pretense of making an investigation, but frankly announced my desire to see things for myself and to get a fresh impression of conditions, as I had not seen the plants since before the strike—on every hand there was indication of an almost humorous haste to clean up, repave, and even to plan for future changes. Brand-new toilet rooms, new dressing rooms, new towels, etc. Swift's and Armour's were both so cleaned up that I was compelled to cheer them on their way by expressing my pleasure at the changes. The sausage girls were moved upstairs, where they could get sun and light, they to have dressing rooms, etc. I asked for showers and lockers for the casing workers at Armour's and got a promise that they would put them in. The canning and stuffing room, chip beef, and beef extract at Armour's seemed really quite good. In all of these rooms the girls work. At Libby's the girls are to be put into blue calico uniforms, which they will buy at one-half price. They are putting in toilet rooms, which they say are temporary, and that when the building is remodeled they will have these put in a better place. The haste toward reform would have been amusing if it were not so nearly tragic.

"They tried to win my help on the ground that loss of foreign trade would mean hardship for the workers in my neighborhood, and I must say I do share this fear, but I can not see the wisdom of my coming out publicly and saying that I saw indications of an awakening, for I want the changes to be radical and permanent, even though we all have to suffer for the present."

I wish to repeat that my investigations are not yet through. I am not prepared to make a final statement either as to so much of the complaints as concern the management of the Bureau of Animal Industry or as to certain of the graver charges in connection with the adulterations of meat products, as well as certain other matters. But enough has been developed, in my judgment, to call for immediate, thoroughgoing, and radical enlargement of the powers of the Government in inspecting all meats which enter into interstate and foreign commerce. Unfortunately, the misdeeds of those who are responsible for the abuses we design to cure will bring discredit and damage not only upon them, but upon the innocent stock growers, the ranchmen, and farmers of the country. The only way permanently to protect and benefit these innocent stock growers, these farmers and ranchmen, is to secure by law the thorough and adequate inspection for which I have asked.

Sincerely, yours,

THEODORE ROOSEVELT.

Hon. JAMES W. WADSWORTH,  
Chairman Committee on Agriculture, House of Representatives.

NATIONAL CONSUMERS' LEAGUE,  
New York City, January 20, 1921.

Hon. JOHN B. KENDRICK,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR KENDRICK: The monopolistic control, or even the possibility of such control, of the food supply of 105,000,000 people by private business enterprise is intolerable. The National Consumers' League, with full knowledge of the facts, adopted as part of its 10 years' program a proposal for the Federal regulation of the meat-packing industry.

In the name of its thousands of members, its 59 affiliated leagues in 17 States and the District of Columbia, for whom it speaks directly, and

the consumer, we most respectfully urge you to vote next Monday, January 24, or whenever the bill comes to a vote, for the Gronna bill.

No more important public issue than the Federal protection of the people's interest in food and meats can be imagined.

Sincerely, yours,

FLORENCE KELLEY,  
General Secretary, National Consumers' League.

UNITED MINE WORKERS OF AMERICA,  
LOCAL UNION No. 3603,  
Point of Rocks, Wyo., January 17, 1921.

Hon. JOHN B. KENDRICK,  
United States Senate, Washington, D. C.

DEAR SIR: Local Union No. 3603, United Mine Workers of America, has ordered me to write and ask you to support the Gronna bill, regulating the packing industry, which, we understand, is to come before the Senate for action January 24, 1921.

Thanking you in advance for your kindly consideration of this matter, I beg to remain

Very truly, yours,

J. E. CLARKE, Secretary.

ARE REEVES, Sr., President.  
VIRGIL WRIGHT, Treasurer.

Mr. KENDRICK. I also ask to include as part of my remarks a resolution sent me by the National Live Stock Association, and in that connection I will say that this association is composed of 17 State associations and 36 local associations, and that these various organizations represent practically the entire territory west of the Mississippi River.

Mr. KENYON. Mr. President, may I ask the Senator how many members of that association there are?

Mr. KENDRICK. I have no idea how many thousands of members there are. One of the associations involved has 6,000 members.

Mr. KENYON. Is this a resolution indorsing this legislation?

Mr. KENDRICK. It is a resolution indorsing this legislation.

There being no objection, the resolution referred to was ordered to be printed in the RECORD, as follows:

Following resolution urging prompt enactment of meat-packing legislation adopted Twenty-fourth Annual Convention American National Live Stock Association, El Paso, Tex., January 14:

Whereas the American National Live Stock Association is definitely committed to the establishment of an open competitive system of production and manufacture; and

Whereas under present monopolistic conditions the principal distributors of live-stock products have an unfair advantage over both unorganized producers and potential competitors which can best be equalized by legislation; and

Whereas lack of confidence resulting from this situation is seriously curtailing production; and

Whereas delay in the final disposition of this important question can result only disastrously to all interests—producer, distributor, and consumer: Therefore be it

Resolved, That we urge Congress promptly to enact constructive Federal legislation regulating the packers, commission men, and traders, to the end that confidence be established, production maintained, and distribution guaranteed on an economical basis; and be it further

Resolved, That copies of this resolution be forwarded to the chairman and all members of the Committees on Agriculture in the Senate and House.

Mr. KENDRICK. Mr. President, I want to say in conclusion that this is not a new question. The demand for this reform has been growing up for a generation. This great industry, so important to the country, is deserving of a better fate than that its continued appeals for protection should always be ignored. It has been a discredit to us that these conditions have been tolerated so long. To allow them to be perpetuated would be a national disgrace.

There is no malice behind this legislation. There is no intention on the part of any of its advocates, and not the slightest desire, to penalize the packers or any other agency. One will scan its terms in vain for any provision designed to hamper even in the smallest detail anyone engaged in the industry. Its sole object is to make it forever impossible for the few having great power to inflict wrong or hardship on the many.

No one will assume that it is intended exclusively in the interest of the producer. I have long been convinced that the manufacturers and distributors of meat products as well as the consumers will derive benefit from the enactment of a law such as that here proposed. Justice and fair play always bring good results, and no man whose aims and practices are legitimate need fear a law the only result of which will be to prevent abuses.

I say to you that the time has come when we should meet this problem squarely, and by enacting this measure create in the great markets of the country a spirit of understanding and good will, without which there can be no orderly progress.

Mr. GRONNA. Mr. President, the Senator from Nebraska [Mr. NORRIS] is absent, due to illness. He called me up this morning and told me he had hoped to be able to be here to deliver an address upon this measure, but finds that he is unable to be present, and he asked me to present to the Senate a statement written by him entitled "Some side lights on the packers." I ask unanimous consent to have the statement printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

SOME SIDE LIGHTS ON THE PACKERS—A STARTLING REVELATION OF FACTS NOT GENERALLY KNOWN.

[By Senator GEORGE W. NORRIS.]

"It was Sunday morning, the one day of the week when we can afford to have meat for breakfast. As I took my slice of nice crisp bacon, I asked my wife what it cost. She said it was 60 cents a pound. I had just been reading from a western country newspaper that the price of hogs on the western prairies was from 10 to 12 cents per pound. It occurred to me that the producers and the consumers ought to know something about the middleman's profit on this necessary article of human food.

"I wonder if the farmer in the sod house on the prairie and the laboring man in the overcrowded city of the East really understand that this mighty space between them is inhabited by a multitude of unnecessary profiteers who are living in luxury upon the toil of the two extremes of this great equation. It ought to be interesting to the underpaid producer and the overcharged consumer to get a view of some of the side lights; some of the overhead charges and expenses that oil the machinery of the mighty corporations which control most of the lines of the food products of the world.

"Under existing conditions the producer and the consumer are so far apart that they live almost in different worlds. They do not realize the network of machinery existing from one end of the country to the other, having within its grasp the most mighty financial institutions and under its control the dissemination of news and literature of the day by which the very atmosphere of both consumer and producer is saturated with a false knowledge of the necessity of all this useless and expensive machinery, thus keeping them both in ignorance, with a natural tendency in each to fear that the other is getting the best of the deal. They both realize that middlemen are necessary, and that machinery is essential to make over the product of the farm into a suitable commodity for the table. They do not fully understand that they are both bowed down in poverty because they contribute day by day and year by year to the immense fortunes of many millionaires, who are living in comparative idleness and luxury upon the toil and the sacrifices of the two extremes. It ought to be interesting to consider briefly a few of these unnecessary and exorbitant overhead expenses which they contribute to the oiling of the great international machinery operated by the packers. This information has been taken from hearings before Senate committees and the Federal Trade Commission.

"WHAT ONE YOUNG MAN DID.

"Several years ago a very bright and enterprising newspaper man in Philadelphia moved to Washington. He came to the Capital City as the Washington correspondent for a Philadelphia paper. His ability as a writer soon brought him additional clients. It was not long until he became an editorial writer for a well-known eastern magazine. He soon became a regular contributor to a Wall Street publication on financial subjects. He was taken on as one of the editorial writers of an economic magazine, a publication with a circulation all over the United States, having for the main object of its existence the maintenance of a high protective tariff. He was soon employed as a writer on a magazine known as the Fourth Estate. This is a trade publication for newspapers, and goes to practically every newspaper office in the country. He likewise became an editorial writer on a trade publication for manufacturers. He was likewise one of the editorial writers on a Washington daily.

"In the meantime he had built a large office force, maintaining two offices in Washington, and was surrounded by quite a number of able assistants. It can be seen at a glance that this man's work was going into not only the homes but the business offices of the country, particularly those offices that have to do with the creation of public sentiment on various public questions.

"In the meantime he developed into a great social leader. His dinners were attended by members of the Cabinet, Members of the House of Representatives, the United States Senate, foreign ambassadors, and other prominent people influential in national affairs. It is quite apparent that his influence and his power in the building up of any sentiment throughout the country for the control of legislation in a silent and unseen way would be of wonderful force. It was noted by those who knew him best that he was an intimate and close friend of the private secretary to the President of the United States.

"It became known that it was almost a daily occurrence for these two men to be lunching together at one of the most exclusive and expensive hostelrys in Washington. All of these vari-

ous occupations and activities of Mr. Logan are in themselves perfectly legitimate. They are, however, exceedingly important when taken into consideration with what follows—and the reader must not minimize his social activities.

"In every great capital of the world many thousands of dollars are spent in social affairs, innocent on their face, legitimate of themselves perhaps, but having a sinister, powerful, silent, and perhaps unconscious influence on the control of legislation and the activities of executive officials in the enforcement of the laws. It might be said in passing that this is illustrated by the public announcement recently made through the press that the British ambassador has been allowed by his Government nearly \$100,000 annually for social entertainment.

"MONEY FROM EVERYWHERE.

"No one suspected that Mr. Logan was on the pay roll of a large number of great corporations, and while we are considering him now only in his financial connection with the packers, it is interesting to note that he received large salaries not only from the packers but from many other large corporations, notably Standard Oil concerns, which always have been interested in and which always have spent immense sums of money to control not only the laws of the Nation but of the States. It was discovered upon investigation that Mr. Logan was getting \$500 a month from Swift & Co., \$500 a month from the Standard Oil Co. of New Jersey, \$500 a month from the Standard Oil Co. of Indiana, \$700 a month from the Atlantic Refining Co., \$500 a month from the Freeport Sulphur Co., and \$500 a month from the General Electric Co. This may not be a complete list of his clients, but when the reader considers these salaries, together with the compensation he received from the various newspapers and magazines which he represented, it can at once be seen that his income compared favorably with the great magnates of the corporations which he represented.

"In addition to all this, it should be said here that while Mr. Logan was drawing these salaries he made a trip to Europe at the request of Mr. Hurley, a Government representative. His entire expenses from the time he left America until he returned were paid out of the Treasury of the United States. He testified that Mr. Hurley wanted, in addition to paying his expenses, to pay him a salary, but he was too modest to accept it; and at the time he gave his testimony the question had not yet been determined whether he would be paid a salary in addition to his expenses. Mr. Hurley, representing the Government of the United States, seemed to be insisting that he should be paid a salary, Mr. Logan declining to accept it. Whether the matter has yet been adjusted or determined I do not know. How much, if anything, has been paid from the Federal Treasury to Mr. Logan I can not say. He claimed that when he went to Europe he went as a sort of adviser to governmental officials. It seems that those who represented the Government and who controlled the purse strings felt that the editorial writer who was getting so many salaries as a business adviser to great corporations should also be paid by the Government of the United States for giving advice to governmental officials in order that they might more efficiently conduct the business affairs of the United States in Europe.

"AN EXPERT ADVISER."

"No one has ever charged Mr. Logan with making an attempt to directly control the vote of any Member of Congress. Excepting as they were invited to meet him at social functions, they were, as a rule, unacquainted with him, and when they did not meet him they had no idea that he was writing editorials for these various magazines that were building up a public sentiment favorable to corporations, or that he was on the pay roll of the great corporations that I have enumerated. His time was too valuable to be used for the purpose of directly controlling a vote. His energies were spent upon the broader and more influential plane of building up a sentiment favorable to his clients through his editorial writings and of giving his clients direct information as to the condition of legislation and as to contemplated legislation, so that they might be able to prepare either to influence it or to meet it.

"When put on the witness stand and questioned as to what he did to earn his salary for Swift & Co. and these other corporations, he said that he was an expert adviser; that he advised his clients how to run their business and how to enable them to serve the public good. He admitted that he had never written an advertisement for Swift & Co. He claimed that he earned his salary by telling them how they should run their business so as to best satisfy the public. When called upon to produce a single letter or memorandum in which he had given such advice he was unable to do it. Mr. Swift, the head of Swift & Co., and Mr. Veeder, their general attorney, both corroborated Mr. Logan in his statement that he was employed simply as an adviser. They were both asked to produce a



single letter or a single written statement of any kind that he had ever given them along the lines of his ostensible employment, but, like Mr. Logan, they were unable to do so.

"It did develop, however, upon the investigation that he had given them information about affairs in Washington along lines that were entirely foreign to what they claimed was his duty as an employee of Swift & Co. In fact, in every case where any activity of Mr. Logan was disclosed in regard to Swift & Co. it always appeared that what he did had nothing whatever to do with what he claimed was his line of employment. For instance, it was disclosed that he had given to Swift & Co. advance information as to just what the food bill would be and as to just what would be required of the packers under the law. Even before Congress knew what kind of a food-control act they were going to pass Mr. Logan had outlined the plan in full to his clients, Swift & Co. He gave them direct information of some disagreement between the President and Mr. Hoover, on one side, and Mr. Houston, Secretary of the Department of Agriculture, on the other; and when it is remembered that Congress was more or less a rubber stamp under the control of the President, the value of such information can be fully appreciated and understood.

"Swift & Co., through Mr. Logan, knew before the Secretary of Agriculture, Mr. Houston, knew that Hoover would have complete control of the Food Administration, and that he would not only control the packers in this country but that he would do the buying for the Allies as well as for the United States Government. Mr. Hoover and the President were in private conversation on the night of the 14th day of May, 1917. They went over the entire situation, and the legislation needed was at that time agreed upon and outlined. The next morning Mr. Logan reported the substance of the conference between Mr. Hoover and the President to his clients, Swift & Co. How he got his information, or who it was that told him what happened at that secret conference between the President and Hoover, can only be conjectured from the facts that I have outlined above.

"When Congress appropriated the money to make the investigation of the packers by the Federal Trade Commission, it was Mr. Logan who gave to them the first information that the appropriation had passed, and in the notice he gave them he explained that there was no cause for worry; that he believed the status was satisfactory; and that the plans should not be changed until advised. It is quite apparent from the evidence that Mr. Logan possessed superior facilities for gaining inside information, and that, as a matter of fact, he was paid this magnificent salary by Swift & Co. partially for the inside information he was able to get and partially because they desired to contribute, in connection with the other great corporations, their share of the fund that would enable the trade journals and the political magazines to be editorially controlled by friendly minds.

#### "DIAMOND T."

"The investigation by the Senate Committee on Agriculture disclosed the existence of a mysterious character who was very valuable to the packers in giving them advance information of possible legislation in Washington. This character was never designated by name. Wherever reference was made to him in the packers' memoranda it was by a character drawn with pen and ink. This character was represented by the letter 'T' inclosed in a rectangular figure the shape of a diamond, but because the printer does not have any character that properly represents it I refer to the character as 'Diamond T.'

"It is quite evident that 'Diamond T.' was a very important person. Nothing was developed in the evidence that ever disclosed anything that he had written or anything to which his signature was attached. Reference to this character only appears where information is given from one official to another that certain information had just been received from 'Diamond T.' It was from 'Diamond T.' that information was given of the beginning of the movement to fix maximum prices. In other instances reference is made to information from 'Diamond T.' which is not plain, and which is not explained by any other evidence. It is quite evident that the investigation only disclosed a small part of the information that was thus received. In one memorandum prepared by one of the officials reference is made to receiving valuable information, without disclosing what it was, with the statement that the matter referred to would be looked after at once. Another memorandum written by an assistant of one of the packers refers to a note from 'Diamond T.' in regard to the investigation about to take place before the Federal Trade Commission, and it is stated in this memorandum that 'Diamond T.' would be glad to have any suggestions that the packers desired to make. This memorandum likewise dis-

closed the fact that Mr. Veeder, the attorney for Swift & Co., was to see 'Diamond T.' the following Monday.

"Another memorandum disclosed that on the 20th day of June, 1917, information was received by Mr. Veeder from 'Diamond T.' telling what had happened at a meeting of the Federal Trade Commission. The packers are told in this information from 'Diamond T.' that there will be enough delay to give plenty of time for readiness, and he suggests that they have everything ready in regard to high prices and their causes. This memorandum also suggests that Mr. McManus (another packer attorney) would be helpful at the Washington end 'immediately.' 'Diamond T.' at this time advised that even the exchange of telegrams would not be advisable, and so important was it to conceal the identity of 'Diamond T.' that the official who prepared the memorandum of information received from him asked that even the memorandum be destroyed 'immediately.'

#### "DIDN'T KNOW WHO HE WAS."

"Mr. Swift, who handled some of this memoranda, on the witness stand denied all knowledge of the identity of the person known as 'Diamond T.' Mr. Veeder, general attorney for Swift & Co., when on the witness stand, likewise denied any recollections whatever of 'Diamond T.', although some of the memoranda referring to information received from 'Diamond T.' was prepared by Mr. Swift, and at least one of the memoranda disclosed the fact that Mr. Veeder was to meet in consultation with 'Diamond T.' There is no one who heard the testimony of Mr. Swift and Mr. Veeder but must have been impressed with an irresistible conclusion that neither was telling the truth.

"A day or two after Mr. Veeder had emphatically and persistently denied on the witness stand that he had any recollection or knowledge whatever of the identity of 'Diamond T.' he returned to the witness stand and stated that Mr. Logan had told him that he (Logan) had sent in the information referred to in at least one of the 'Diamond T.' memoranda. To me it looks as though this secondary evidence was given for the purpose of shouldering the identity of 'Diamond T.' upon a person already identified, and thus prevent, if possible, any further investigation as to his identity. It is quite evident that 'Diamond T.' had no reference to Mr. Logan, because where information was received from Logan, there was no disposition to conceal that fact.

"How much 'Diamond T.' received in the way of compensation, or who he was, will perhaps always remain a mystery. That he was some one high in official councils, and therefore a very expensive character, and that he was able to give the packers exceedingly valuable and inside information, will not for a moment be questioned. That the men who were dealing directly with him in such important matters, where many millions of dollars were involved, should completely forget his identity when they had taken such great pains to conceal it is completely beyond comprehension; and when these men go upon the witness stand and deny any knowledge of the identity of this mysterious individual they not only convince the honest man that they are guilty of falsehood but they make themselves ridiculous in the eyes of all honest people. Such testimony if given by the ordinary person would be at once branded as false, but when testified to by those who represent hundreds of millions of dollars it escapes notice in the news items of the day.

#### "ADVERTISING."

"One of the most remarkable attempts to control the public sentiment of the country through the instrumentality of the public press has been going on for the last three or four years. The packers are not the only corporations engaged in this great undertaking. There are many other great corporations that are equally guilty. It is a nation-wide campaign to build up a reactionary sentiment in favor of the great corporations of the country. But in this article we are dealing only with the packers, and I confine myself in my comments to the part which they have taken in this colossal undertaking. I do not want to be understood as claiming that all of this advertising was unnecessary or subject to criticism. Neither do I argue that because a newspaper accepts advertising it is necessarily controlled in its editorial policy. The assertion is made, however, that the advertising of the packers is far beyond any legitimate, fair, or even liberal allowance for that purpose, and neither can there be any doubt but that some newspapers are controlled in their editorial policy by the advertising end of the business. Many others remain silent in their editorial columns when they would otherwise condemn, if it were not for the oiling of the business machinery through advertising.

"There can be no doubt but that one of the objects of this campaign was to mold public sentiment, and to close up the criticism that their acts would otherwise receive at the hands of newspapers. There was evidence developed upon the investigation to show that this was the real intent and purpose of a large portion of the advertising. The packers carry large page and half-page advertisements in all the newspapers of the United States. No country paper was too small to be taken into consideration by them. Large display advertisements appeared in newspapers that had only two or three hundred subscribers. Moreover, the greatest of this advertising took place at a time when no advertising was needed in order to sell their products. It took place at a time when there was a shortage of production, when they were positively unable to supply the hungry with the food which it desired.

#### "THE PACKERS' DEFENSE.

"The only defense the packers made is that this advertising was necessary in order to show up the erroneous conclusion that they claimed the Federal Trade Commission had reached in its investigation. An examination of the subject, however, will disclose that this advertising campaign was on in full blast long before the Federal Trade Commission's report was given to the public. An examination will also disclose that a very large part of the matter included in the advertising had no reference whatever to the sale of any of their products and made no attempt to refute the charges of the Federal Trade Commission.

"The advertising campaign of the packers is akin to the former practice of railroads in issuing passes to all influential people, particularly those who had to do with the making of laws controlling the railroads or the enforcement of them. The person who received a pass was not requested to use his influence in their favor, and it does not follow that because a man received a pass he was in any way influenced; but on the whole it was universally conceded that the promiscuous issuing of passes was an evil; that it interfered with the enactment of railroad laws and the administration even in courts of justice where railroads were parties litigant. The enlightened public sentiment of the country condemned the practice, and nearly every State in the Union has made it illegal.

"I have before me the Sunday edition of a great metropolitan daily, published in the latter part of 1919, in which Armour & Co. have more than 15 pages of advertising. The matter is highly and beautifully illustrated, and a great deal of the space is taken up with a showing made in behalf of the philanthropic treatment on the part of this great corporation of its employees. One would think in reading over the very well written articles that Armour & Co. is organized more for philanthropic purposes than for financial reasons.

"I have searched hundreds of country newspapers coming from the smallest villages and have never yet found a paper that was not patronized by the packers in the way of advertising. I have a copy of a small newspaper, published way out on the frontier, in a small country town, that contains a half-page advertisement, signed by all five of the great packers, in which they make common cause to demonstrate that it would be difficult, indeed, for the country to exist without them.

"On February 28, 1918, Swift & Co. had a large display advertisement in practically all of the great newspapers of the United States, in which they devote the entire space to a demonstration that the employees of Swift & Co. are patriotic. Nothing is said in it about anything for sale and nothing is said in regard to a defense of any of the charges made by the Federal Trade Commission; but for some reason they seem to be imbued with the idea that some one had charged their employees with being unpatriotic, and they rush into print, wrap themselves in the American flag, and proclaim their patriotism from the rooftops. During the war this was a favorite pastime for all profiteers. When a big corporation was about to cut a melon or a few millionaires were about to rob the Government in some unconscionable contract, they always made an attempt to distract attention by parading in public under the Stars and Stripes.

#### "SPENT HUGE SUMS.

"For the year 1918 Swift & Co. alone spent over \$1,600,000 for advertising, and Mr. Swift himself admitted that they would spend \$2,500,000 in the year 1919. This would mean more than \$200,000 a month, about \$7,000 per day. Assuming that the other members of the 'Big Five' spend one-half of what Swift & Co. spends, which everybody will admit is way below the actual fact, we find that the great packers on this basis spend more than \$8,500,000 annually for advertising. This would be more than \$1,000 for every hour of the 24.

"This cost only includes what is actually paid to the newspapers and magazines. To keep the machinery going and to

employ the necessary men to prepare the advertisements entails an additional expense of enormous amounts. It must be remembered that this is only one corporation. If you spread this over the country at the same rate, it means that trainloads of paper are used in this wonderful propaganda, 90 per cent of which is useless so far as any legitimate object is concerned. This wonderful advertising of great corporations, if reduced to its legitimate sphere, would of itself alone settle the acute question, which is now country-wide, of a paper shortage. It must be remembered, too, that these great corporations do not in reality pay one penny of all these enormous expenses that I have enumerated. The wonderful financial outlay, enormous as it is, is placed upon the unwilling and overburdened shoulders of the producer and the consumer.

"For the last 50 years the packers have been growing in size, and as they have grown their disposition to avoid the law has increased with their size. They have been fined an innumerable number of times for violation of the criminal statutes. Their attempt to control the prices of the country through their lavish expenditure of money is partially accounted for by their desire to conceal publicity of their transgressions. While they are fighting before a referee in Chicago with their employees, who are seeking better working conditions, they are advertising in Minneapolis the alleged advanced sanitary conditions of their packing establishments. By their utilization of newspaper space they are making it physically impossible for newspapers, even if they desired to do so, to give proper publicity to the cases where they have been found to have violated the law. They have spent many thousands of dollars in the use of special trains to carry delegates to various conventions where editors, particularly of farm journals, have been invited to be their guests for the real purpose of indirectly influencing the news columns of such magazines and for the purpose of suppressing from the people a knowledge of their shortcomings. The editor of the Nebraska Farmer could undoubtedly tell of such an invitation that he recently received himself.

"On the 7th day of March, 1919, a Washington paper, on an inside page in a very inconspicuous place, gave an account of the trial and conviction of an agent of one of the 'Big Five,' who, in the city of Washington, had violated the pure food law by selling catsup in original packages which were short in actual measurement. It was shown at the trial that the cans of catsup were marked as containing 5 gallons each, and that upon actual measurement they were considerably short of that amount. One can was shown on actual measurement to be 2 quarts short. A third can was taken by the officials and brought into court unopened, and upon the trial of the case the prosecution offered to rest its entire case upon the unopened can. It was proposed that the can be opened and that if it was full measure the prosecution would be dismissed.

"The great packing concern, however, declined to accept this proposition. The result was that the agent making the sale was found guilty and he was fined the enormous sum of \$10. It is fair to assume that these cans were no exception to the general rule, and that this great corporation had sold thousands, perhaps tens of thousands, of these same cans, all of which were undoubtedly short in measure. They had probably violated the pure food law in every city and hamlet in the United States, but so far as I have been able to learn this was the only place where they paid any penalty.

#### "A DIFFERENT KIND OF STORY.

"It happened that the same paper containing this announcement contained a column article written in behalf of this same packer. It was only one of many that had been printed in practically all the papers of the United States—a nicely written article, directed to 'Dear Folks,' and signed by William C. Freeman, of New York City. The ordinary reader would not get the idea that it was an advertisement, but these series of articles contain a most ingenious and misleading argument in behalf of the honesty of this member of the 'Big Five.' In one of their articles Mr. Freeman tells about his visit to the plant; how satisfied and enthusiastic all the employees were; and with what marvelous consideration every whim of the faithful employee is looked after by this great corporation. In other articles he speaks, as do the advertisements of the packing company, of the guarantee of the company's brand. The slogan, 'The Wilson Label Protects Your Table,' has been printed a million times and is familiar to every citizen of the United States.

"These articles, paid for by the producers and consumers of our country, attempt to demonstrate that when you buy of Wilson & Co. you run no chance of being defrauded; that the brand of this company is a guaranty of purity, of quality, and of quantity; and yet, while this enormous propaganda is



going on over the country, this great corporation is violating the law and practicing deception which if committed by the ordinary, common individual would cause him to be driven out of the community as a citizen unworthy of belief.

#### "BIG SALARIES PAID."

"It will be found upon investigation that the middlemen who handle the food products after they leave the producer and until they reach the consumer are receiving salaries that in many cases are altogether out of proportion to the work they actually do. In fact, many of the men who are engaged in the packing business devote most of their time and most of their energies to concealing the true situation. Let us take Wilson & Co., one of the 'Big Five,' as an example.

"Several years ago Mr. Wilson was elected president of that corporation. He was given a salary of \$125,000 a year, which he still draws. In addition to giving him that salary, they gave him outright \$100,000 as a bonus in cash. In addition to this they gave him \$1,500,000 of the common stock of the company without the payment of one cent. In addition to all this they gave him an option on \$3,500,000 more of the common stock, at \$10 per share, which option he afterwards exercised. When he exercised this option and purchased this stock, he did it without the payment of a dollar of his own funds. He simply sold some of the stock that had been given him, at from \$50 to \$55 per share, and purchased the option at \$10 per share; so when the transaction was completed he found himself the owner of 43,000 shares of the stock, of the par value of \$4,300,000, which cost him nothing. In 1917 this stock paid a little over 16 per cent, and, according to Mr. Wilson's own statement, is worth much more than par. We can therefore sum it up by saying that out of this transaction, within two or three years time, Mr. Wilson found himself with a salary of \$125,000 a year, a cash bonus of \$100,000, and a gift of stock worth more than \$4,300,000—all without the investment of a dollar; all paid for by the producers of hogs and the consumers of meat.

"Little transactions like these have been going on for many years and are going on now. The public is turning water into a steady stream of gold that goes to men who neither toil nor spin, excepting as they manipulate figures and prices. The producer is still toiling. The consumer is still suffering. Their suffering and their toil have made possible the luxury of many of the so-called great captains of industry.

#### "DISHONEST EXPENDITURES."

"No one will probably ever know just how much money has been spent by the packers to control legislation, to appoint officials, and to deceive the public. It is doubtful whether packers themselves could give this information correctly. For instance, the books of Swift & Co. would nowhere show the payment of any salary to Mr. Logan. There is no item anywhere which would indicate how much money was paid to 'Diamond T.' It appears, for instance, that Mr. Veeder, the general attorney for Swift & Co., was paid \$71,000 in one year; but he was drawing a salary of less than \$25,000. While he was getting a salary of about \$25,000, his expenses amounted to about \$50,000. Mr. Swift seemed to be unable to tell definitely just what Mr. Veeder's salary was. He was unable to tell why they paid him over \$70,000 when he was getting a salary of less than \$25,000. An examination of the evidence also discloses that Mr. Veeder was in the habit, outside entirely of his expense account, of acting as the middleman by whom sums of money were transferred not only from his client but from all the other packers to various officials. So that the enormous discrepancy between his salary and his expenses, in addition to the various sums of money, amounting to many thousands of dollars, which passed through his hands from the packers to almost numberless persons who were carrying out their plans in various localities, remains unexplained.

"Large amounts of money were spent in political contests. Contributions to elect Members of Congress were made by the various packers. Large sums of money were expended to handle legislation in a large number of State legislatures. In one case the evidence shows that the packers took part, down in Oklahoma, in the election of a local assessor, and they were so careful that the assessor should be friendly that they contributed to both sides of the contest. A contribution of \$2,000 was made by one of the big packers to a firm of attorneys in Texas for legal services and 'legislative services in Austin.' Instructions were sent from Chicago that a receipt should be taken 'in accordance with the understanding had with Mr. Veeder in his office in Chicago on May 21, 1908.'

"In another case a check for \$500 was sent to an attorney at Fort Worth, Tex., in which Mr. Veeder asked the recipient to use the money 'in accordance with our conversation.' He also notified the attorney that he would receive the same amount

each from Armour & Co. and the Stock Yards Co. In Illinois the evidence shows that various sums at various times were contributed to influence the legislature. They did their best to defeat the eight-hour law for women. They took an active interest in defeating the bill in regard to renovated butter that the farmers desired put on the statute books. They used their power against the enactment of laws regulating the cold storage of meat, fish, eggs, and poultry.

#### "BUY UP TRADE PRESS."

"The National Provisioner is a trade publication, published by the Food Trade Publishing Co. of New York. Its subscribers consist mostly of packers and dealers in various articles of food. For many years the general manager of this concern was a man by the name of McCarthy. Mr. McCarthy was also the secretary of the American Meat Packing Association, an organization composed of all the packers, big and little, throughout the United States. Holding these two positions, it is quite evident that Mr. McCarthy could be of inestimable service to the Big Five, if he were so disposed. The National Provisioner went to most of the customers, and as secretary of the American Meat Packing Association he came into direct contact with all the packers throughout the United States. The evidence disclosed that Mr. McCarthy was secretly paid a regular yearly salary of \$5,000 a year by Armour, Morris, and Swift. It is denied by the owners of the National Provisioner that they had any knowledge of this secret bonus of Mr. McCarthy.

"The American Meat Packers' Association, that was supposed to be operated in the interest of all packers, big and small, had, of course, no knowledge that their secretary was getting a salary on the side, contributed secretly by three of the Big Five. It further appears that after we got into the war and after the establishment of the Food Administration, in making up some of the various committees to properly carry out the administration of the law, Mr. McCarthy, because he was secretary of the American Meat Packers' Association and was therefore supposed to be fair and unbiased and well acquainted with all of them, was requested by the Food Administration to suggest the names of some of the small packers who would be suitable for appointment to such committees; and that before he took action on this request he communicated with the packers who were contributing this money on the side, in order to make a selection that would be satisfactory to them. He was thus giving ample evidence to the big packers that he was earning the secret salary they were paying him. This is only an illustration of the method employed by the packers in the control of all kinds of associations. They scatter thousands of dollars around over the country in the payment of secret salaries to persons having official connection with organizations that have anything to do with the meat or food business.

#### "LOANING OF MONEY."

"The packers are heavy borrowers, as everybody knows. They continually borrow many millions of dollars, and their paper is scattered all over the country. You would not suppose therefore that an ordinary individual could go to the packers and borrow money, but in order to borrow money of the packers it is only necessary for them to be convinced that you are able to build up public sentiment in their favor or to be influential in the handling of a public official having to do with their business or to be of assistance in the preventing of any unfriendly legislation or in securing the passage of desired laws.

"This practice is well illustrated by what happened just before the war in Fort Worth, Tex. Both Armour and Swift have packing plants at Fort Worth. Together they own the stockyards at that place. The evidence discloses that they loaned money to a man by the name of Armstrong, in Fort Worth, for the purpose of buying an interest in a daily paper there, which had been advocating the control and regulation by the Government of the meat-packing business. They considered the paper unfriendly. Both Armour and Swift loaned money to Mr. Armstrong. It is noticeable that after the money was loaned and Armstrong became a part owner the policy of the paper changed. In writing to the packers for a renewal of the loan, Mr. Armstrong called attention in this letter to the fact that he had gone into the newspaper business to be of service to Mr. Armour and Mr. Swift, and also called attention to the editorial policy of the paper 'before and after taking.' It is unnecessary to say that he had no difficulty in getting an extension of his loan.

"The men who were running this paper, however, were not aware that their competitor, the other daily newspaper published at Fort Worth, was likewise having its machinery oiled by packer money. The president of Swift & Co. in a letter asked his attorney whether they had better comply with the request of this other paper for a 'donation' of \$1,200, which



should be given ostensibly in return for a "page devoted to hogs and hog raising." In this letter Mr. Swift called his attention to the fact that Armour & Co. and the Stock Yards Co. of Fort Worth were each contributing like amounts. In addition to this, it seems that the editor of this paper was loaned \$5,000 by Swift & Co. He did not pay his interest promptly, and Mr. Swift asked his attorney whether he thought it would antagonize this editor if he sent him a bill for the interest, saying that the editor also owed Armour & Co. a like amount and he had paid the interest. The attorney, however, asked Mr. Swift not to present any bill for interest at that time, because they had some important litigation pending in Texas, and he thought it would not be wise to ask for the payment of interest from the editor until this litigation had been disposed of.

"THE ATTORNEY GENERAL.

"It must be remembered that the Federal Trade Commission recommended that prosecutions be commenced against the packers. They turned the evidence over to the Attorney General at the time they made their report, more than a year ago. That the evidence shows plain violation of law there can be no doubt whatever. The violation of the Sherman antitrust law, in some instances, could have been proved by their own correspondence, signed by their own officials. They were liable both criminally and civilly. At a recent hearing before the Senate Committee on Agriculture, the present Attorney General, Mr. Palmer, testified that this evidence submitted by the Federal Trade Commission showed that the packers had violated the law, but that he had decided not to commence any criminal proceedings against them. Instead, he determined to commence a civil suit. For weeks the papers were full of announcements that the Attorney General was about to proceed against the packers. I think the country generally understood that the suit was actually commenced and was pending. The people would be perfectly justified in reaching this conclusion from the announcements that were made at various times in the public press. A suit was finally actually filed and judgment rendered on it, but it looks as if it had been agreed upon in advance between the attorney and the packers before it was actually filed. How many of the people really believe that the Attorney General had accomplished the great things that he so bombastically boasted of in the headlines of the newspapers?

"The ordinary individual, the common citizen, who violates the law and commits a crime has no opportunity to make an arrangement with the prosecuting attorney by which a civil suit shall be commenced, satisfactory to both sides, with the understanding that no criminal prosecution shall take place. The ordinary thief would be glad, indeed, if we could agree with the prosecuting attorney that an injunction suit should be commenced in court against him and an injunction issued restraining him from further commissions of crime, if by such an agreement he could escape punishment for his criminal act. The trouble with the ordinary petty thief is that he does not steal enough to come under this new and humane rule of the Department of Justice. In his newspaper campaign to reduce the cost of living, the Attorney General can not stop to consider any of the little fellows. It would appear upon careful analysis that his boasted suit against the packers consisted in agreeing in advance with the attorneys for the packers upon a petition, an answer, and a decree, and that no papers were filed until this agreement was reached, and the Government and the packers both voluntarily went into court, presented the decree, and asked the judge to sign his name upon the dotted line.

"MORE MIGHT BE SAID.

"In the foregoing sidelights I have made no attempt to exhaust the subject. The facts are that the subject is almost inexhaustible. We approach the domain of the great packers as a little child would approach a giant. At every step we are impressed with their wonderful power, their inexhaustible resources, the infinite network of connection with the most powerful financial institutions of the country. Their paid emissaries are in every locality. They are secretly entrenched in politics, in all kinds of business, and in nearly all the activities of human endeavor. To carry out their ends they have all kinds of instrumentalities. They are equipped to go into the church, and are likewise prepared to send the bum into the saloon. They have an army of highly paid, useless employees, who can give no honorable reason for their packer connections. Their agents are at the meeting of every legislature and in the Capital City at Washington. Their control of human food is so great that expense is a secondary consideration. They know that, after all, all these expenses are paid and all this machinery is oiled by the consumers of the country. If their expenses increase, they have but to lower the price that they pay to the

producer, or increase the price that they charge the consumer, or both. The competition of the independent dealers is negligible. In fact, the existence of independent packing establishments is desired by them, so long as they do not develop in size and their competition become dangerous. They fix the price, and when they have fixed a price that covers all their unnecessary extravagance and expense, it naturally follows that a multitude of little packers can follow along in their tracks and make big profits.

"I have made no attempt in this article to discuss what I believe to be the fundamental reasons for their great power. Neither have I suggested a remedy. It will be found upon a full and impartial investigation by the honest student that their privately owned refrigerator cars, their ownership and control of stockyards and refrigerator plants, together with their intimate connection with large financial institutions, are the main sources of their power. It is not my purpose to discuss the remedy here, but in conclusion I desire to say that by the ownership and control of refrigerator cars and stockyards the packer question is inseparably intermingled with the question of railroad control, and it will be found impossible to properly control one without controlling the other, and mainly in this I think can be demonstrated the remedy that must ultimately be applied to narrow the present mammoth and expensive gulf that exists between the producer and the ultimate consumer."

Mr. STANLEY. Mr. President, monopoly found its origin among English-speaking peoples in the folly of kings rather than in the machinations of merchants or violations of the law. The exclusive right to manufacture cards or glass or leather was conferred upon some royal favorite, and his control of the business was based not upon efficiency or combination with others, but upon fiat of law. Such grant necessarily involved an almost unrestricted right to regulate production and to fix prices. There could be no agreement with a competitor, since the conditions creating the monopoly excluded all competition.

The manifest injustice of such an indefensible exercise of power could not be defended even by the stubborn Elizabeth against the protests of a justly outraged people.

For centuries it has been the purpose of wise Governments to prevent the taking of an unconscionable advantage of a competitor and to secure the greatest freedom of trade and absolute justice to all persons engaged in any productive and legitimate enterprise.

The medieval monopoly no longer exists, but the idea abides; and we often fail to discriminate between the size and the conduct of a business, and to regard as more or less criminal the control of a large proportion of the production and the sale of a commodity without regard to the means or circumstances under which that control was obtained.

No civilized Government would re-create an ancient monopoly. No wise Government will foster it by special privilege conferred by legislation, direct or indirect. On the other hand, the mere size of the business is not in itself an offense. It is a perilous policy to penalize the mere growth of any legitimate enterprise without regard to its character or conduct.

The courts have repeatedly held that the mere size of a business is not cognizable in the enforcement of the laws against combinations in restraint of trade.

There is no limit under the American law to which a business can independently grow. Even a combination of two or more businesses, if it does not unreasonably restrain trade, is not illegal; but it is the combination which unreasonably restrains trade that is illegal. (International Harvester case, 214 Fed. Rept., 994.)

In the case of the United States against the United States Steel Corporation, Justice McKenna says:

The corporation is undoubtedly of impressive size, and it takes an effort of resolution not to be affected by it or to exaggerate its influence. But we must adhere to the law; and the law does not make mere size an offense or the existence of unexerted power an offense.

The absolute control of a single business under a monopoly created by royal grant was its vice. It was not due to over-coming competition. It was not due to the efficiency of the enterprise. It was not due to economies in production. It was not due to any understanding with any other business or any control over the channels of commerce. It was the result of the fiat of law. It was exactly the same right that is now conferred by a patent or a copyright. When these monopolies were overthrown this association of the size of a business and the extent of the business which it controlled with the modern methods used for interfering with commerce have been confused, and while the old monopoly is gone we still indissolubly associate the size of a business with its conduct.

Monopolies in this country never have been big enough to control an entire business. Not the Standard Oil Co., nor the American Tobacco Co., nor the United States Steel Corporation, nor any of the great industrial concerns of America, has ever



acquired an entire business, or ever can, in the nature of things, in all human probability; and yet they have at various times exercised a most pernicious influence upon commerce between the States. They have sought to monopolize business. They have been guilty of extortion. They have affected prices. They have divided territory. They have done a thousand and one things by which the generous and natural law of supply and demand is evaded, and by which the greed of a great corporation can be satiated by the practice of pitiless extortion.

The size of a business engaged in interstate commerce may make it infinitely more hurtful to the public weal in the event it is disposed to violate the laws now made and provided against interference with the freedom of trade; but the size itself is not an offense. The smallest concern in this country is subject to the mandates of the law. It is punishable for any interference in the freedom of trade between the States as well as the largest concern, and so long as the business is not guilty of violations of the law as written the courts can not figure out the per cent of the business it owns and by any manner of means punish it as a monopoly for that reason. As was said in the Keystone Watch case:

As population has swelled and as vast aggregations of men have multiplied their wants, the inevitable trend of modern affairs has called for large business enterprises as well as for small, and we think it no more than reasonable to say that when a large business has proved itself to be beneficial and not harmful to the community it should not be condemned merely because it is large.

Mr. President, to say to any business in the United States, "You become lawless because you have become large" is to punish growth. To say to any great business engaged in a lawful and legitimate enterprise, "You shall cease your activities when you have attained a certain per cent of this business" is not to stop that business there; it is to kill it, because no business can cease to grow that does not cease to live. To stop it is stagnation, and stagnation is death. There is no such thing as absolutely stable equilibrium in the conduct of any great enterprise; it must go up or down.

I have given some study to this question of monopoly, or, more properly speaking, to the multitudinous and ingenious combinations of lawless concerns in an attempt to obtain an inequitable advantage either in the purchase of raw materials or the sale of finished products.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. STANLEY. I yield.

Mr. KING. May I suggest to the Senator that it would perhaps follow, if the Federal Government penalizes an institution engaged in interstate commerce because it is large and fixes a limit beyond which it may not grow, might not the States, pursuing the same example, interdict the organizations within their borders and say that any big department store that has a capital of a million dollars shall go no further, or prescribe limits as to all activities within their borders, so that in the end you would be met by legislation in States, in counties, and in municipalities restricting the size of the business, which in the end might kill the business itself?

Mr. STANLEY. I will say to the Senator from Utah, it could be done with much greater propriety by the States. The Federal Government has no control, as I will show later, over any private business, except in so far as that business is discharging a public function or is engaged in the business of a common carrier or in commerce between the States. It does not matter about its size. It does not matter about its conduct, so long as it is not a banking concern or a like concern. So long as it is not engaged, not in the shipping of articles in interstate commerce, but in the movement of that commerce, it is not cognizable by the Federal Government, as the Supreme Court has held a dozen times.

Mr. President, to legislate against the growth of a business, to penalize the size and the strength of American enterprise, is contrary to the whole genius of our institutions. We have never been able to compete with the continental tenant upon a few acres of intensely cultivated soil, and in this generation we will not be able to enter into such competition.

We have never been able in mill or factory to compete with the manual skill and the patient toil of the continental artisan in his little shop under his own roof. We have attained an industrial mastery only in the cultivation of broad areas, in the control and management of ponderous machinery, owned and operated by immense aggregations of capital. We not only must do big things, and do them in a big way, in this young and virile empire, but we can do no other kind of thing so well. When we attempt to put a strait-jacket upon any business without regard to the legality of its conduct, we are tying our

own hands and paralyzing the strongest arm, we are doing violence to the aspiring genius of young and mighty America.

Mr. President, I hold no brief for these packers. If it be true that any five great concerns have engaged deliberately, by combination among themselves, in an effort to depress the price and destroy the market for the raw material, and to extort an unnecessary and unwarranted tribute from the hunger of millions, then those concerned, being guilty, should be penalized under the heaviest enforcement of the law, their assets should be reached, and the men behind them should be held personally responsible.

It is not a question as to whether five or six or any number of them shall be permitted to engage, unrestricted and unpunished, in monopolizing foodstuffs in utter defiance of the laws in restraint of trade. It is a question of a remedy, and in this case the remedy is in some instances worse than the disease, if such a thing is possible.

Mr. President, in my opinion, there has never been a greater piece of legislation graven upon the statutes of America than the Sherman Act. While I have had some hand in amending that law, I sometimes doubt if it has been very much improved by amendment. From the day the great authors of that act made it a part of the Federal statutes until now great and ingenious concerns have attempted in a thousand ways to evade it, and any effort at evasion of this law upon the part of combinations in restraint of trade resolves itself into one of three simple expedients. It is either an effort to limit output or to divide territory, or to fix a price, and the thousands of devices all lead to one of those ends. The courts, in tearing the mask from these several efforts to violate the law, have exposed the purpose, have gone to the gravamen of the offense, until now it is, in my opinion, a most difficult thing for any man or any set of men to successfully fix the price of any commodity in interstate commerce above that resulting from the natural flow of the law of supply and demand without a violation of the law.

Mr. KENYON. Has not the Sherman antitrust law been weakened, if not almost destroyed, by the decision of the Supreme Court applying the rule of reason, so that it really has lost a great deal of its efficiency?

Mr. STANLEY. That is true; and in this very connection I express regret that the Supreme Court has extended that rule of reason. In my opinion no two men, I will say to the Senator from Iowa, ever agreed to limit output or production or fix prices or to divide territory, or to do any other thing for the purpose of obtaining an unconscionable advantage in the market place of America, that they did not know it, and nine times out of ten an unreasonable restraint of trade simply means a negligible restraint. I am not criticizing the court, but as a principle of law I hold that a man should not be allowed to say, "I did that which I knew was wrong; I committed an offense against the freedom of the commerce of my country, but I did not do any particular harm, and for that reason I should escape."

Mr. KENYON. Mr. President, I did not intend to criticize the Supreme Court. I have too much respect for the court to do that. But Congress made the law, and Congress never wrote into that law the rule of reason which the court has made a part of the law now.

Mr. STANLEY. As the Senator understands, I do not mean to criticize the court. But the principle, in my opinion, outside of the holding of the court that injustice will be done by a rigid enforcement of the law against restraints of trade is, in my opinion, untenable.

Mr. President, the law as now written, in my opinion, is sufficient, and if not we should amend the existing law against combinations in restraint of trade rather than create new commissions.

It is maintained that a great business, becoming by virtue of its size a monopoly, is a matter of public concern, and for that reason is cognizable by the Federal Government. Now, I do not believe that position is sound. I hold that the size of a business, as I have shown, has nothing to do with its relations to interstate commerce or with the power of the Federal Government over it. A packing house which is a simple butcher shop, not engaged in interstate commerce, covering 20 Chicago blocks, and a butcher shop on the corner of Fourteenth Street and Pennsylvania Avenue, 20 feet square, have identically the same legal status.

It is claimed that the packers are liable to Federal control because they are monopolies; that is to say, that a business which is not subject to Federal control can violate the law and change its whole status. No business is subject to Federal control unless it is a public utility or is engaged in some governmental function like a national bank. It must be remembered that public utilities, like common carriers, not only have

responsibilities by virtue of their status, but they have powers and privileges as well. Could a butcher shop, however large, which successfully violated the laws in restraint of trade, go into court and exercise the right of eminent domain like a railroad? If it is a public utility, it can; and if it is not a public utility it is not under the control of the Federal Government. So that neither the size of the corporation nor its conduct can render it subject to the control of the Federal Congress, and the Congress has no control over the packing or any business except in so far as it is actually engaged in the movement of commodities between the States.

Mr. KING. Will it disturb the Senator to interrupt him at this point?

Mr. STANLEY. Oh, no.

Mr. KING. The word "control" was used the other day in the debate upon the nitrate bill, and it has been used frequently in the discussion of the powers of the Federal Government under the interstate commerce clause of the Constitution. The Senator will recall that that clause of the Constitution states that Congress shall have the power to regulate interstate commerce among the States. Is there not a great deal of difference between control and regulation? Under the power to regulate can it be successfully contended that power is given to the Federal Government to determine the size of a business and to control it in its activities in all of its various shapes and differentiations, or does not the word "regulate" simply mean that it may prescribe reasonable regulations to prevent wrongdoing, the destruction of competition, but may not control to the extent of suppressing and destroying business? What is the meaning of the word "regulate" and the meaning of the word "control," in other words?

Mr. STANLEY. The Senator is more familiar than I with the decisions, but from Gibbons against Ogden down I am free to admit that the construction placed upon the commerce clause of the Constitution of the United States has become broader and broader, until, for the sake of the argument, I am willing to concede that, in so far as the packers are interstate carriers, in so far as the interstate commerce clause of the Constitution gives the Government jurisdiction that is plenary, I am willing to admit that I am in grave doubt about whether the powers enumerated in the bill introduced by the Senator from Iowa might not be exercised, by a strained construction, if the packers were in the operation of stockyards and those stockyards were held by the courts to be an integral part of interstate commerce, an integral part of the system.

But, as I shall show further on, my opposition to the bill is predicated upon the idea that the packer will get rid of his yards and that, having divested himself of any participation in the movement of interstate commerce, it is better to leave the control of the business to the Department of Agriculture, to the Meat Inspection Bureau, to the Federal Trade Commission, and such other bureaus as now have jurisdiction over it, and then to hold them to the strictest account when they do engage in interstate commerce and are guilty of any of the acts with which they are charged.

Mr. KENYON. The question of the Senator from Utah is as to what is covered by the term "power to regulate" under the Constitution. Of course, the minute we begin discussing the interstate-commerce clause of the Constitution we get to a most interesting situation. The Senator from Utah is no doubt familiar with the Lottery case, where the Supreme Court held that the power to regulate included the power to prohibit. There is no claim, I think, that there is any power to destroy, and the bill is not trying to destroy. If the packers are engaged in interstate commerce—and I do not see how anyone can claim they are not—then, if they have a monopoly there comes the power, because monopoly is an obstruction to commerce just as much as anything else could be, and the courts have always held that, and that is the theory upon which the Sherman Act is based.

With reference to the suggestion of the Senator from Kentucky about the stockyards, it has been held, as the Senator knows, in the Swift case, in Two hundred and twenty-second United States, that they were engaged in interstate commerce.

Mr. STANLEY. An integral part.

Mr. KENYON. Yes. In the case the other day in the District of Columbia it was conceded, as I read the statement, by the packers' counsel that that was an incident of interstate commerce; and the Supreme Court said, in the Swift case, that buying and selling in the yards is an incident and a part of interstate commerce. Now, of course, if they are not engaged in interstate commerce we can not act. Our theory is interstate commerce, monopoly, obstructing interstate commerce, the right to regulate the monopoly. That is the theory.

Mr. STANLEY. I am of the opinion that the stockyard is a depot, a market, in which the railroad and the packer are participants. There is a distinction, however, which I am sure the Senator will draw very readily, between the production of edible meats and their subsequent entering into the channels of interstate commerce. When the packer has divorced himself from his yards, when he is no longer engaged in interstate commerce, when he comes into yards controlled neither by the carrier nor by himself but by an independent concern, or by the railroads, if they are permitted to take them over, buys so many thousand head of cattle and takes them to his own private property and converts them into the several uses of the community, either the by-products or the meats, he then does not render himself subject to any Federal control until some part of that product again enters the channels of interstate commerce. When he enters the channels of interstate commerce with that product and makes any arrangement whatever with any other packers, either within the State or without, for the purpose of fixing its price, he is guilty of a violation of existing law.

Mr. KENYON. I call the Senator's attention to a most interesting case decided just a few weeks ago in Indianapolis, I think, where the court held that coal taken out of the ground and subsequently shipped in interstate commerce was, even as it came out of the ground, in interstate commerce. I do not believe the court is right. I think the actual journey in commerce must commence; that the whole scheme or plan must involve that. The cattle coming to the yards in commerce, then being slaughtered, and the product going on in commerce between the States, it seems to me, clearly would be interstate commerce.

Mr. STANLEY. I think it is well to bear that distinction well in mind. The stream is broken when the stock leaves the yards.

Mr. KENYON. That would be true, and I would agree with the Senator if it were not, as the Supreme Court said in the case to which I have referred—the Swift case (222 U. S.)—that here is a great plant, a center of operation, that involves bringing cattle in from one State to another, and a product going out to other States. It is the scheme itself that makes interstate commerce.

Mr. STANLEY. For instance, if we had one slaughterhouse in Chicago, no matter how large, as large as Swift, or if Swift, for instance, should conclude to sell only in the State of Illinois and divest himself of the stockyards, he would be exempt, in the operation of his business, from any act providing for the inspection of meat or review by the department, would he not?

Mr. KENYON. That would be a very close question, I think, and I would agree with the Senator unless they had a plan of bringing stock in from other States, then slaughtering, and selling it in Illinois. I think that would still be in interstate commerce; but, of course, if he bought the stock in Illinois—

Mr. STANLEY. Bought it in the stockyards—

Mr. KENYON. And slaughtered it in Illinois and disposed of it in Illinois, I do not believe it could be considered interstate commerce.

Mr. STANLEY. If the stream is broken in the case of one packer, it would be broken in the case of all. The thing that puts the packer within the purview of the law is participation in the movement of products between the States. I am of the opinion that he must be engaged in that business, and then that part of the business is the basis of Federal jurisdiction, and any inspection afterwards is based upon that transportation.

Mr. KENYON. The Senator will remember the fact that about 90 per cent of the refrigerator cars are owned by the packers. They are used, I suppose, in interstate commerce almost entirely. That element adds to the general character of the interstate commerce of the whole business.

Mr. STANLEY. As I understand it, the refrigerator cars, while owned by the packers, are under the absolute control of the Interstate Commerce Commission, and the packers pay the same freight, subject to the same provisions as any other packer, for the use of their own cars. I would say that if it were possible for the same service to be rendered without the ownership of the cars, I would be more than glad to see them divested of that ownership.

There is no principle more potent as a basis upon which to rest every character of legislation against combinations in restraint of trade than an absolute divorce, a clean-cut separation, without any interlinking arrangement, between the business of transportation and the business of production. The industry and the carrier should have no common interest; they should never be under a common ownership or common control. In my opinion, the ingenious interlocking of the busi-



ness of transportation and production is the one handicap now, in view of the broad construction given to the rule of reason, to the successful enforcement of antitrust legislation. Whenever every carrier in the United States gives to every shipper under the same circumstances and at the same time the same facilities and the same price, the question of monopoly in restraint of trade in heavy and semifinished products will in a great measure be automatically settled.

In my opinion, if the report of the Federal Trade Commission has established and it is a fact that the great packing companies enjoy an inequitable advantage because of their ownership of refrigerator cars, then the money recently appropriated by Congress for the rehabilitation of the rolling stock of the railroads of this country could not be better employed than in the purchase of additional facilities of that character, in order that every meat packer in the United States who is engaged in competition with the five great packers may have an identical service.

I am gratified, indeed, to know that the stockyards, by virtue of a consent decree voluntarily entered into by the packers, as I understand, are to be divorced from the meat-packing business. In that event a great deal of the mischief alleged to exist by the report of the Federal Trade Commission will be obviated.

Mr. President, I am of the opinion that a careful analysis of the pending bill will show that the very acts that it is proposed to prohibit are now in violation of existing law. Since it will be necessary, in order to enforce the finding of the proposed live-stock commission, to go to the same courts that now have jurisdiction over the offenses, if we enact into law the pending bill, we shall be moving in a circle; we shall be creating additional officers and additional experts and additional machinery without obtaining the result at which we aim. For instance, section 12 of the bill provides:

It shall be unlawful for any packer to—

(a) Engage in any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

(b) Sell or otherwise transfer to or for any other packer, or buy or otherwise receive from or for any other packer, any live stock or live-stock products for the purpose of apportioning the supply between any such packers or unreasonably affecting the price of or creating a monopoly in the acquisition of buying, selling, or dealing in live stock or live-stock products in commerce; or

(d) Conspire, combine, agree, or arrange with any other packer to apportion territory for carrying on business, or to apportion purchases or sales of any live stock or live-stock products, or to control prices thereof in commerce; or

(e) Conspire, combine, agree, or arrange with any other packer to engage in any course of business or to do any act for the purpose of preventing any person from carrying on a competitive or similar business in commerce; or

All of those acts now constitute well-known offenses forbidden by existing laws most of which have been repeatedly interpreted by the courts and their violation is punishable by heavy fines and forfeitures against the offending corporation and in most cases by sentences of imprisonment against the persons directly responsible for such offenses.

Sections 1 and 2 of the Sherman Antitrust Act provide:

Sec. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared illegal.

Sec. 2. Every person who shall monopolize, or attempt to monopolize, or to combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

The Federal Trade Commission act provides:

Unfair methods of competition in commerce are hereby declared unlawful.

The commission is hereby empowered and directed to prevent persons \* \* \* except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

The Clayton Act provides:

It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchases of commodities, which commodities are sold for use, consumption, or resale within the United States \* \* \* where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Section 14 of the pending bill provides:

It shall be unlawful for any packer to (a) engage in any unfair, unjustly discriminatory, or deceptive practice or device, or charge any unreasonable price or rate in commerce in connection with its business.

The interstate commerce act of 1920 provides:

All charges made for any service rendered or to be rendered in the transportation of passengers or property shall be just and reasonable; and every unjust and unreasonable charge for such service or any part thereof is prohibited and declared to be unlawful.

So, Mr. President, it appears that if the pending bill shall become a law we will have two separate tribunals with concurrent jurisdiction over identical offenses. Is a commission of three men, at \$10,000 a year, sitting at Washington, better able to discover violations of the acts referred to in Chicago, Omaha, Kansas City, or Fort Worth than the courts and grand juries established at those places? Is it the purpose of this bill to establish an instrumentality for the conviction of alleged offenders without the intervention of a jury or by the decree of a court previously denied the opportunity to ascertain all the facts and circumstances admissible under established judicial procedure?

If the five great packers, or others, are guilty of the offenses enumerated in the several sections of this bill, they are guilty of a gross violation of existing law; they are guilty of pernicious efforts to plunder the producer or to demand an unconscionable tribute from the hunger of a hard-pressed people. In that event they should be indicted and convicted and subjected to the severest penalties provided by the law. For one, Mr. President, notwithstanding my abhorrence of monopoly and especially of monopoly in foodstuffs, I will never give my consent to any unnecessary or devious device by which a defendant accused of a monstrous crime may be deprived of the right to be heard, to have a court or jury fully advised of all the facts and circumstances surrounding his case which are admissible as evidence in a court of competent jurisdiction. If the packing corporations have allotted territory, have arbitrarily fixed the price for the purchase of live stock, have limited the supply by conspiracy among themselves, have practiced extortion in the sale of foodstuffs, they should be mulcted in the heaviest damages, and the individuals personally responsible for the conduct of such corporations should be held to a pitiless personal account.

#### OTHER DUPLICATION.

When we turn to the administrative features of the pending bill we find the same duplications. Section 16 of the bill provides, among other things:

Every operator or packer engaged in commerce \* \* \* shall make such reports and returns, verified under oath or otherwise, as the commission shall require, as will fully and correctly disclose all transactions involved in its business—

And so forth.

The identical provision is found in the Federal Trade Commission act. Under that act the packers are now required—to file with the commission in such form as the commission may prescribe annual or special or both annual and special reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath—

And so forth.

Section 16 of the pending bill further provides that—

Any officer or agent of the Government designated by the commission may, during the usual hours of business, enter and inspect any place used by any packer or operator in its business and examine any books, papers, records or correspondence relating to such business.

The Federal Trade Commission act provides in paragraph 9:

For the purposes of this act the commission, or its duly authorized agent or agents shall at all reasonable times have access to, for the purpose of examination and the right to copy, any documentary evidence of any corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Paragraph 10 of the Federal Trade Commission act provides:

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or cause to be made, full, true, and correct entries of such accounts \* \* \* shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 17 of the pending live-stock commission bill requires "Any packer or operator, or any officer, agent, or employee of such packer or operator, when requested by an officer or agent of the Government designated in accordance with the provisions of this act, to answer correctly to the best of his knowledge, under oath or otherwise, as may be required, all questions touching his knowledge of any matter authorized to be investigated," and provides upon conviction a penalty of a fine not exceeding \$1,000, or imprisonment for not more than one year, or both such fine and imprisonment.

Under existing law, the Federal Trade Commission is authorized to require the furnishing of just such information. That act provides:

If any corporation required by this act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and such failure shall continue for 30 days after notice of such default, the corporation shall forfeit to the United States the sum of \$100 for each and every day of the continuance of such failure.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries of such accounts, \* \* \* shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000, nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 18 of the pending bill provides a penalty of not exceeding \$5,000 or imprisonment for not more than one year, or both such fine and imprisonment, in the discretion of the court, for any failure to make full and true entries, or for the making of false entries in the accounts and records to be kept by a packer or operator, or for altering, mutilating, or concealing accounts and records, or for making any false or fraudulent statement in any return or report required by the bill.

Paragraph 10 of the act creating the Federal Trade Commission provides:

Any person who shall \* \* \* willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000, nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 25 of the pending bill provides that a packer, when a registrant, must provide the necessary railroad connections with his place of business and furnish such facilities at a reasonable charge. The transportation act of 1920 in detail compels the packer to provide the same facilities required to be furnished under section 25 of the Gronna bill. I refer to paragraph 7 of that act, which is as follows:

Any common carrier subject to the provisions of this act, upon application of any lateral, branch line of railroad, or of any shipper tendering interstate traffic for transportation, shall construct, maintain, and operate upon reasonable terms a switch connection with any such lateral, branch line of railroad, or private sidetrack which may be constructed to connect with its railroad, where such connection is reasonably practicable and can be put in with safety and will furnish sufficient business to justify the construction and maintenance of the same; and shall furnish cars for the movement of such traffic to the best of its ability without discrimination in favor of or against any such shipper. If any common carrier shall fail to install and operate any such switch or connection as aforesaid on application therefor in writing by any shipper or owner of such lateral, branch line of railroad, such shipper \* \* \* may make complaint to the commission, \* \* \* and the commission may make an order \* \* \* directing the common carrier to comply with the provisions of this section in accordance with such order—

And so forth.

Section 25 further provides for the protection of live stock, and for the maintenance of sanitary conditions in the conduct of its business.

Section 6 of the meat-inspection act, June 30, 1906, covers this whole subject:

Sec. 6. The Secretary of Agriculture shall cause to be made, by experts in sanitation or by other competent inspectors, such inspection of all slaughtering, meat canning, salting, packing, rendering, or similar establishments in which cattle, sheep, swine, and goats are slaughtered and the meat and meat-food products thereof are prepared for interstate or foreign commerce as may be necessary to inform himself concerning the sanitary conditions of the same, and to prescribe the rules and regulations of sanitation under which such establishment shall be maintained; and where the sanitary conditions of such establishment are such that the meat and meat-food products are rendered unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human food, he shall refuse to allow said meat or meat-food products to be labeled, marked, stamped, or tagged as "Inspected and passed."

Section 25, subsections 7 and 8, provides for the keeping of accurate accounts and records, and for the inspection of the place of business of the registrant, and so forth.

All of this is now, as I have hitherto shown, abundantly covered by existing law. In the Agricultural Department, in the Bureau of Animal Industry, in the Federal Trade Commission, to say nothing of the courts of justice, thousands of high and highly salaried officers and experts are now employed to do, and are doing, practically everything provided in this act, with the exception of subsection c of section 12, and of sections 13 and 15, which touch the control of the stockyards, and they are now practically out of consideration.

The sections regulating the ownership of stockyards are a duplication of existing law. It does not mean that we shall

acquire any further jurisdiction over the business of the packer. This proposed law does not give the Government any further control over packing, inspection, transportation, or stockyard facilities than is now exercised by some departments of this Government. It simply leaves these departments in operation, and duplicates them under one head.

#### TREND TOWARD SOCIALISM.

It is urged in justification of this legislation that these five packers control the bulk of all meats now entering into interstate commerce; that by combination among themselves they have monopolized an essential food, and that the necessity for relief justifies the innovation. Assuming, for the sake of the argument, that this is true, meat is not so essential as bread in the maintenance of human life. If it be discovered to-morrow that a combination of millers has materially affected the price of wheat or of flour, shall we organize another commission of three or more men, at \$10,000 a year, with thousands of employees, to regulate the milling business?

Raiment is as essential to life and comfort as is food. The manufacturers of cotton and woolen fabrics are not ministering angels by any means. Having organized this commission for the regulation of the meat packers, is it not incumbent upon us immediately to establish a textile commission?

There is evidence, and abundant evidence, that the so-called Lumber Trust and the master builders of the country have, by an illegal combination, placed a tribute upon every home. Men must have shelter. Shelter is as essential as food or raiment. If this is the remedy, we should immediately begin to prepare for a building commission, a lumber commission, and of course a fuel commission is essential, and so ad infinitum. Now, when we shall have established thousands of commissions, at a cost of millions and hundreds of millions of dollars, to do the work that courts were duly constituted to do—courts which can and should and must finally pass upon all the conclusions of these commissions—when we have established this intricate and difficult machinery at the cost of millions, perhaps billions of dollars to the taxpayer, and have regulated in the last detail the activities of an individual engaged in a private enterprise, is it not a natural, is it not an almost rational demand on the part of the philosophic socialist that the Government, having been put to the expense of regulating these multitudinous businesses now under its control, shall determine a fair price for their commodities? And having determined the price, it will necessarily follow that they should determine a just remuneration for labor, and, having given labor its portion, to say what the original owner should receive; and if we can say what he can receive for one thing, why not for ten, and why not guarantee him a reasonable return upon his investment and let the State take over absolutely what is left of his property?

This is the plan of Lenin and Trotsky, to which we are approaching by successive and inevitable steps.

Is it not time to return to basic principles, to see that this bill and all others like it shall safeguard the liberty of the citizen, and the inviolate right to the use and ownership of private property so long as that property is owned and operated in obedience to the law and without the infraction of the rights of any other citizen?

If the packer, the butcher, the baker, or the candlestick maker in the production or transportation of any commodity, especially a commodity necessary to the health and happiness of the community, attempts by any secret or sinister combination with some competitor engaged in a like enterprise inordinately to increase his earnings by any ingenious interference or infraction upon the freedom of commerce and of the market place, by any attempt to monopolize that market, by the restraint of trade or throttling of competition or the increase in price, we visit upon such malefactor the dread penalties of the law; and if we find that he has been ingenious enough to discover some new and hitherto unpunished device by which his baneful end can be accomplished, we provide a penalty for that device. Every pernicious practice in restraint of trade is now or can be made punishable by law. The commerce clause of the Constitution is broad enough and the Federal Government is powerful enough, its arm is long enough to reach the malefactor. A multitude of special commissions and commissioners, an additional army of high-salaried experts and employees to duplicate the duties of departments already created, and of courts having jurisdiction of these alleged offenses is unnecessary and unwarranted.

Mr. KENYON. Mr. President, I hope to secure some time on Monday to submit a few observations. I shall take only a minute or two this afternoon to put in the Record a few matters that Senators may possibly have time to read on the morrow.



I was unable to hear very much of the speech of the Senator from Illinois [Mr. SHERMAN] and his address has not as yet been published in the RECORD; but I understand he made rather serious reflections upon the Federal Trade Commission, and especially upon Mr. Colver. One of the favorite occupations nowadays, of course, is to attack the Federal Trade Commission, and especially Mr. Colver, than whom I do not hesitate to say a more faithful servant of the people never occupied a public office. He has stood up under every kind of assault, abuse, and malice, and he can really be proud, I think, of the enemies he has made. But the charge which, as I understand, was made by the Senator from Illinois, that the Federal Trade Commission had disseminated throughout the world information injurious to the meat business of the United States, is a charge that never had been made in the months of hearings that were had before the Agricultural Committee of the Senate and the hearings in the House.

Mr. McCORMICK. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. KENYON. I do.

Mr. McCORMICK. If my memory be not at fault, I think my colleague has made the same charge before on the floor of the Senate.

Mr. KENYON. I think that is true; and the Senator's colleague introduced a resolution on the floor of the Senate calling for certain information relative to that matter, and that information was laid before the Senate. It arose in this way:

On the 27th day of June, 1919, as appears by volume 58, part 2, of the CONGRESSIONAL RECORD, the following occurred:

Mr. SHERMAN. Mr. President, I wish to ask the Senator from Ohio a question. Does he know who the chairman of the Federal Trade Commission is now?

Mr. POMERENE. I think Mr. Colver is the chairman now.

Mr. SHERMAN. Does the Senator know where he is at this time?

Mr. POMERENE. I do not; I am not my brother's keeper in that respect.

Mr. SHERMAN. I am not his keeper, either; but I believe I have some accurate information about where he is. Unless he has returned recently, he is in England. When the Senator speaks of the fostering care of the Federal Trade Commission on our export trade I will say that I believe I will have adequate proof to present here that instead of promoting our export trade he is destroying it in England by unfriendly comments, by violent speeches reported in English newspapers denouncing certain of our export lines. I think he is paying his traveling expenses across the ocean out of such appropriations as this.

On July 10, 1919, as appeared by the CONGRESSIONAL RECORD of that date, volume 58, the Senator from Illinois introduced a resolution which I ask to have set out as a part of my remarks.

There being no objection, the resolution referred to (S. Res. 114) was ordered to be printed in the RECORD, as follows:

*Resolved*, That the Federal Trade Commission be, and is hereby, requested to furnish to the Senate at the earliest possible moment copies of all documents, correspondence, or other papers in its possession relating to its efforts or action in promoting or concerning the export trade in meats from the United States to the Kingdom of Great Britain or any of its colonial dependencies or other countries, and especially any communications by the Federal Trade Commission, or any of its members, officers, agents, or employees, with the officers or agents of any foreign Government, and, more especially, all communications had with the ministry of reconstruction of Great Britain or the members thereof appointed in 1918, and to include all correspondence with the Hon. Charles A. McCurdy, M. P., of the ministry of foods and recently chairman of the committee on trusts; also such correspondence with any other member of the ministry of reconstruction in relation to the meat industries of the United States.

Mr. KENYON. The information requested in this resolution was furnished to the Senate on the 31st day of July, 1919. It is too long a document to put in the RECORD, but portions of it are interesting.

The letter from Mr. Fort, chairman of the commission, to Commissioner Murdock, I ask to have printed as a part of my remarks at this time.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

SPRING LAKE, N. J., July 19, 1919.

Commissioner MURDOCK,

Federal Trade Commission, Washington, D. C.

MY DEAR MURDOCK: I have your letter inclosing copy of the Sherman resolution, copy of the Report of the Export Division of the Federal Trade Commission, for my amendment or approval, and your request that I make individual reply to the matters covered by the Senate resolution.

In the allotment among the commissioners of the work in the commission the export division, prior to my illness in April, 1919, was directly under my supervision, and the report of Dr. Notz for the division seems to be a complete summary of its activities in relation to export trade in packing-house products.

I have had no correspondence with any British official on the subject of import or export trade or on the meat business of American packers. I have had no communication even remotely connected with that.

The only incident that I recall having to do with the American packers' export trade was at the time that the Federal Trade Commission called for a report as to the operations of the foreign business of the packers. At this time Mr. Levy Mayer, representing Armour & Co., said to me that the real reason that the returns should not be made was that it might involve very heavy additional payment of income tax to the United States Government on the part of his client, and likewise might lead to taxation in Argentina and other foreign countries.

Mr. Mayer exhibited a list of a number of companies doing business in Argentina. As you remember, I was very much outraged at the suggestion that I could or would be party to the defrauding of this Government, or, being a Government official, would be party to a deception on a friendly foreign Government. As you remember, I reported the circumstances immediately to my colleagues, and further discussion of the matter of the returns of the foreign branches of the packing companies was terminated, and I am informed the desired information was demanded and secured without any further delay.

This, I think, covers all my recollections of anything touching on foreign trade of the packers, or the other things covered by Senator SHERMAN's resolution.

With best regards to you and your brethren, I am,

Very truly, yours,

JOHN FRANKLIN FORT,  
Chairman.

Mr. Colver has denied the alleged interview in London and has shown that his expenses abroad were paid by himself.

There are other letters, particularly, and statements on page 3412 of the RECORD that will be of interest to Senators, if they desire to understand some of the methods that the packers were then pursuing.

So that it is true, as the junior Senator from Illinois [Mr. McCORMICK] suggests, that the charge has been made on the floor, but it never had been made in the committees, it never was made by anyone there representing the packers, that the attempt had been made to use the Federal Trade Commission's report to injure American business abroad, or that Mr. Colver had done that thing. Strange it was not urged in the hearings. The Senator's resolution, I think, went to the committee, together with the resolution of the Senator from Indiana [Mr. Watson], asking for an investigation of the Federal Trade Commission as socialistic, which committee was appointed and which committee, I understand, never took one particle of evidence and never did one thing in investigating the resolution of the Senator from Indiana or the resolution of the Senator from Illinois, though that has been over a year ago. It was all a part of the effort to discredit the commission. That charge is a serious charge, of course. If Mr. Colver or the Federal Trade Commission had tried to injure American business abroad, it is a very serious thing. The answer to it is that they did not.

On page 3414 of the RECORD will be found a statement submitting all of these documents:

A letter of May 12, 1915, from Joseph E. Davies, chairman of Federal Trade Commission, to official secretary of the governor general, Melbourne, Australia.

(The four above letters concern a request by the Commissioner of Corporations, subsequently the chairman of the Federal Trade Commission, for a copy of the report of an investigation of the beef industry by Commonwealth royal commission on the meat-export trade of Australia and the supplying of this document. They are in files 2267-1-1 of the Bureau of Corporations and 8029-1-1 of the Federal Trade Commission, and are attached as part of Exhibit 3.)

So that before the time the Federal Trade Commission ever entered into an investigation of the packers here, Australia was investigating that very subject as to meat; and the same is true of New Zealand.

I am embarrassed by not having a copy of the remarks of the Senator from Illinois [Mr. SHERMAN], and I did not hear that part of it, but, as related to me, he said that England became somewhat annoyed and angry over the situation; that England moved to control her meat industry because of what the Federal Trade Commission here had said about the packers, and that our trade with England suffered.

It is true that Britain did show some feeling about the American packer, and I am going to put in the RECORD what I think was the reason for the feeling, and I hope Senators will read it. It was not because of any investigation of the Federal Trade Commission. They had tried to run the blockade with cargoes of meat. Seven consignments were in the prize courts of Britain. They used their influence also to stop a loan of the American Republic to those who were subsequently our allies; at least, it was so published in the newspapers. My proof of that is the great paper published in the State of the Senator from Illinois, the Chicago Tribune. On September 18, 1915, we find this heading on the front page:

Packers ask Lansing to defy England. Cite Hay's dictum to Russia to smash ruling of prize court. Principle at stake.

I will not ask to have that all inserted, but on the next page, as a part of the same article, is this:

VEEDER DEMANDS ACTION.

Henry Veeder, counsel for the Swifts, directly charged England with as "flagrant violation" of international law as Germany committed in the submarine cases. His statement, made after conference with the Packingtown heads, amounted to a demand that the United States defy England in the meat cases and insist on a show-down.

In addition to declaring that the prize court's decision "has been thoroughly inconsistent," Mr. Veeder said England is now "breaking faith with the world when she repudiates the principles of international law, to which she subscribed in the declaration of London."

## BEARING ON THE BIG LOAN.

The possibility of the packers exerting an antagonistic influence on the negotiations now pending in New York for the \$1,000,000,000 loan to the Franco-English commission, because of the Admiralty court's ruling, was held as an improbable development by the Packingtown heads.

They refused to express themselves on the subject, but the intimation was that they would not directly involve the meat seizures in the loan negotiations.

Then there was a cable from London that the packers were to appeal from the ruling of the prize court.

In the issue of the same great paper of Tuesday, September 21, an article, on page 16, is headed:

Reynolds talks of Allies' loan. Chicago banker, back from East, says \$500,000,000 is contemplated.

Mr. Reynolds is the president of the Continental and Commercial National Bank, in which Mr. Armour is one of the heaviest stockholders, and Mr. Reynolds in this interview said:

But the action of the British prize court in confiscating \$2,500,000 of packing-house products was an unfortunate decision, I think, to be laid before Chicago bankers at this time. Packing-house interests are necessarily heavily interested in the larger banks, and, as is shown by their public utterances, they feel aggrieved at the prize court's action.

This was before the report of the Federal Trade Commission had ever been filed or gotten up.

Then, again, in the issue of September 22, 1915, is set out a letter, which was one of three letters from Ambassador Dumba to Baron Von Burian, Austro-Hungarian foreign minister, taken from J. F. J. Archibald, the ambassador's messenger. The article says:

This letter has not heretofore been printed—is dated August 20, and follows.

Here is a letter which might well arouse feeling in England. It was not by any action of the Federal Trade Commission in this country, but by the effort to run the blockade to get meat to the enemies of Britain. Is it any wonder that Britain had some feeling about the packers in this country?

This letter from Mr. Dumba taken from this ambassador's messenger says, among other things:

Says Wilson can control Congress.

That may have been true at that time. It continues:

## CONFERES WITH ARTHUR MEEKER ON A YACHT.

As for the note to protest against British interference with shipping, which has so often been notified and as often postponed, I learn that the issue is delayed in consequence of the imminent declaration of cotton as contraband. The feeling which obtains among the great American importers was accurately represented in Mr. Meagher's (Meeker's) speech. Meagher is one of the principal exporters of the United States, for he is a partner in the Chicago firm of Armour & Co., who, with the firm of Swift, control the meat market of the whole Western Hemisphere.

Mr. Meagher, whom I recently met on a yacht, and whose acquaintance I had already made in Chicago, absolutely regards England's acts as arbitrary. No fewer than 31 ships, with meat and bacon, shipments of his firm for Sweden, valued at \$10,000,000, have been detained in English ports for months under suspicion that they ultimately are intended for Germany.

The negotiations are being so long drawn out, because Mr. Meagher and his companions will not accept a lame compromise, but insist on full compensation or the release of the consignments, in which the bacon may be still sound.

## COULD REFUSE TO SEND MEAT TO ENGLAND.

My informant further gave me to understand he has not yet played his last trump, namely, a refusal to import meat to England under the circumstances. He—that is to say the above-named slaughtering houses—control the Argentine market. At the present moment they are paralyzed here also by the action of the British Admiralty, for the latter has commandeered most of the English freight ships intended to transport meat from Argentina.

Listen to this: If England had any feeling toward the meat packer, would she not have a right to, in view of this statement from the Austrian ambassador:

If England stood face to face with the danger of not being able to get any meat from the United States or Argentina she would soon give in.

That was in 1915. If there is any reason, as charged by the Senator from Illinois, for the feeling in Britain about the meat industry in this country, it is not because of anything the Federal Trade Commission has done; but on account of the efforts to run the blockade and get meat into Germany, which was at war with England, through Sweden, or other countries.

The letter of the President asking for the investigation was dated February 7, 1917, and the report of the Federal Trade Commission was filed July 3, 1918, or about three years after the Dumba letter was published.

I ask leave to have the Dumba letter printed in full; and I may have something more to say on other phases of this question on Monday.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

The reply of Secretary of State Lansing to the note of the 29th of June, in which your excellency protested against the enormous deliveries of weapons and munitions to the Allies from the United States, was

published here—I do not know whether with the agreement of the Austrian Government—on the 16th ultimo.

As was to be expected, the refusal was quite categorical. The legal arguments are certainly very weak, for the references to articles supplied by Germany and Austria during the Boer War are not to the point and are misleading, for at that time Germany claimed the right to send foodstuffs to the Boers via the neutral port of Lorenzo Marques, and, if I am not mistaken, carried the point after the war against England.

The true ground for the discouraging attitude of the President lies, as his confident, Mr. House, already informed me in January and has now repeated, in the fact that the authorities in a serious crisis would have to rely on neutral foreign countries for all their war material. At no price and in no case will Mr. Wilson allow this source to dry up.

For this reason I am of the opinion that a return to the question, whether officially by replies of your excellency or by a semi-official conversation between myself and the Secretary of State, will not only be useless, but even, having regard to the self-willed temperament of the President, harmful. In this matter I agree entirely with the view expressed by Consul Schwegel in a report attached. The President has broken all the bridges behind him and made his point of view so definite that it is impossible for him to retreat from this position.

## SAYS WILSON CAN CONTROL CONGRESS.

As last autumn, he can always through his personal influence either force the House of Representatives to take his point of view against their better judgment, or, on the other hand, in the Senate can overthrow the resolution already voted in favor of prohibiting the export of guns and munitions.

In the circumstances any attempts to persuade individual States to vote parallel resolutions through their legislative bodies offer no advantages apart from the international difficulties which the execution of this plan presents.

The proposal to forbid passenger ships to carry munitions stands on a different footing, however. Mr. Bryan and his Democratic supporters would stand for this prohibition, and I believe the President would not show himself so intransigent with regard to this action.

## CONFERES WITH ARTHUR MEEKER ON A YACHT.

As for the note to protest against British interference with shipping, which has so often been notified and as often postponed, I learn that the issue is delayed in consequence of the imminent declaration of cotton as contraband. The feeling which obtains among the great American importers was accurately represented in Mr. Meagher's (Meeker's) speech. Meagher is one of the principal exporters of the United States, for he is a partner in the Chicago firm of Armour & Co., who, with the firm of Swift, control the meat market of the whole Western Hemisphere.

Mr. Meagher, whom I recently met on a yacht and whose acquaintance I had already made in Chicago, absolutely regards England's acts as arbitrary. No fewer than 31 ships, with meat and bacon, shipments of his firm for Sweden, valued at \$10,000,000, have been detained in English ports for months under suspicion that they ultimately are intended for Germany.

The negotiations are being so long drawn out because Mr. Meagher and his companions will not accept a lame compromise, but insist on full compensation, or the release of the consignments, in which the bacon may be still sound.

## COULD REFUSE TO SEND MEAT TO ENGLAND.

My informant further gave me to understand he has not yet played his last trump, namely, a refusal to import meat to England under the circumstances. He—that is to say, the above-named slaughtering houses—control the Argentine market. At the present moment they are paralyzed here also by the action of the British Admiralty, for the latter has commandeered most of the English freight ships intended to transport meat from Argentina.

If England stood face to face with the danger of not being able to get any meat from the United States or Argentina, she would soon give in.

What the immediate result here of making cotton contraband will be is hard to say. The anger of those interested in cotton will be enormously increased, but, on the other hand, the fear of threatened confiscation may make the leaders of the Cotton Trust so yielding that they, against their better judgment, may agree to the sale of the greater part of the present supply en bloc to England, who would be in a position in the future to control the whole cotton market, and on peace being declared to force on the whole world this essential raw material.

C. DUMBA.

## CALL OF CALENDAR ON TUESDAY.

Mr. CURTIS. I move that the Senate take a recess until 10 o'clock Monday morning.

Mr. UNDERWOOD. Before the motion is put I wish to suggest to the Senator from Kansas that Monday is the calendar day. A good many Senators are interested in the calendar, and although I do not care to insist upon its particular place on Monday, if an arrangement could be made to have the calendar called on Tuesday it would be quite satisfactory, I am sure.

Mr. CURTIS. I would be willing to have the calendar called on Tuesday, instead of Monday as calendar day.

Mr. UNDERWOOD. Then I ask unanimous consent that instead of calling the calendar on Monday, as usual, it shall be called on Tuesday.

The VICE PRESIDENT. The request is that the rule which applies to Calendar Monday shall be applicable to Tuesday of next week. Is there objection? The Chair hears none, and it is so ordered.

## RECESS.

Mr. CURTIS. I renew my motion that the Senate take a recess until 10 o'clock on Monday next.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, January 24, 1921, at 10 o'clock a. m.